

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII.

Mr. HILL of Alabama: Committee on Military Affairs. H. R. 190. A bill granting authority to the Secretary of War to license the use of a certain parcel of land situated in Fort Brady Military Reservation to Ira D. MacLachlan Post, No. 3, the American Legion, for 15 years; with amendment (Rept. No. 2487). Referred to the Committee of the Whole House.

Mr. DARDEN: Committee on Naval Affairs. S. 158. An act authorizing the President to present a medal in the name of Congress to Johannes F. Jensen; without amendment (Rept. No. 2491). Referred to the Committee of the Whole House.

Mr. McFARLANE: Committee on Naval Affairs. S. 2517. An act to provide for the advancement on the retired list of the Navy of Walter M. Graesser, a lieutenant (junior grade), United States Navy, retired; without amendment (Rept. No. 2492). Referred to the Committee of the Whole House.

Mr. MAAS: Committee on Naval Affairs. S. 3581. An act for the relief of Henry Thornton Meriwether; without amendment (Rept. No. 2493). Referred to the Committee of the Whole House.

## CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R. 12383) granting an increase of pension to Virgil O. Adams, and the same was referred to the Committee on Pensions.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. EVANS: A bill (H. R. 12443) to authorize the coinage of 50-cent silver pieces in commemoration of the one hundred and fiftieth anniversary of the adoption of the Constitution of the United States; to the Committee on Coinage, Weights, and Measures.

By Mr. GREEVER: A bill (H. R. 12444) to amend section 5, as amended, of the act entitled "An act to provide for the admission of the State of Wyoming into the Union, and for other purposes", approved July 10, 1890; to the Committee on the Territories.

By Mr. MORAN: A bill (H. R. 12445) to provide for the establishment of a Coast Guard station on the coast of Maine, at or near Isle au Haut, Knox County; to the Committee on Merchant Marine and Fisheries.

By Mr. DOXEY: A bill (H. R. 12446) to promote sustained yield forest management, in order thereby (a) to stabilize communities, forest industries, employment, and taxable forest wealth; (b) to assure a continuous and ample supply of forest products; and (c) to secure the benefits of forests in regulation of water supply and stream flow, prevention of soil erosion, amelioration of climate, and preservation of wildlife; to the Committee on Agriculture.

By Mr. GOLDSBOROUGH: A bill (H. R. 12447) to amend certain provisions of the banking laws relating to the administrative powers of the Comptroller of the Currency, the conversion of State banks into national banks, the payment of dividends on common stock of national banks, and the election and duties of shareholders' agents, and for other purposes; to the Committee on Banking and Currency.

By Mr. DICKSTEIN: Resolution (H. Res. 492) to provide 1 legislative day for consideration of certain bills reported from the Committee on Immigration and Naturalization; to the Committee on Rules.

By Mr. McLEOD: Resolution (H. Res. 493) requesting the President of the United States to transmit to the House of Representatives the report submitted to the Administrator of the Works Progress Administration by Gen. Hugh S. Johnson upon completion of his term as New York City Administrator of the Works Progress Administration; to the Committee on Expenditures in the Executive Departments.

By Mr. GILCHRIST: Resolution (H. Res. 494) providing for the consideration of H. R. 10101; to the Committee on Rules.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CHANDLER: A bill (H. R. 12448) for the relief of Burton P. Cordle; to the Committee on Claims.

By Mr. COOLEY: A bill (H. R. 12449) for the relief of Melvin Andrews; to the Committee on Claims.

By Mr. DARDEN: A bill (H. R. 12450) for the relief of Lt. David E. Carlson, United States Navy; to the Committee on Naval Affairs.

By Mr. DRIVER: A bill (H. R. 12451) for the relief of the dependents of W. R. Dyess; to the Committee on Claims.

By Mr. SAMUEL B. HILL: A bill (H. R. 12452) granting an increase of pension to Felix Shaser; to the Committee on Pensions.

By Mr. GREEVER: A bill (H. R. 12453) for the relief of Francesco Kovach, alias Frank Kovach, alias Joe Kalister; to the Committee on Immigration and Naturalization.

## PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10768. By Mr. SISSON: Petition of residents of New York City and vicinity, urging passage of House bill 9216, the National Income and Credit Act; to the Committee on Banking and Currency.

10769. By the SPEAKER: Petition of the Daughters of the American Revolution; to the Committee on Appropriations.

## SENATE

FRIDAY, APRIL 24, 1936

The Chaplain, Rev. Z. Barney T. Phillips, D. D., offered the following prayer:

Almighty God and Heavenly Father, whose creative spirit is the source of all our aspirations, the guardian of our destinies: We thank Thee for the glory of this, another day, and as we set our faces toward our work, deepen, we pray Thee, our sense of oneness with Thee, that we may rejoice alike in the richness of our corporate life and in the sternness of our personal responsibility.

Grant unto these, Thy servants, insight, that instrument by which high spirits call the future from its cradle and the past out of its grave, that this day may be fruitful in permanent achievement for the welfare of our country.

Do Thou release all those whom a heavy weight of years hath chained and bound and raise up those who fall upon the thorns of life, that Thy children everywhere may be renewed by joyous thoughts of immortality which sometimes sleep but cannot die, as they are folded within their own eternity.

And when the sun is set at eventide and we go to our long home to meet Thy face, grant that this may be our requiem: "Peace, peace! He is not dead, he doth not sleep. He hath but wakened from the dream of life."

We ask it in the name and for the sake of Him who is the resurrection and the life, Jesus Christ our Lord. Amen.

## THE JOURNAL

The Chief Clerk proceeded to read the Journal of the proceedings of the calendar day Thursday, April 23, 1936, when, on request of Mr. ROBINSON, and by unanimous consent, the further reading was dispensed with, and the Journal was approved.

## MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 713. An act granting jurisdiction to the Court of Claims to hear the case of David A. Wright;

S. 929. An act for the relief of the Southern Products Co.; and

H. R. 12037. An act relating to compacts and agreements among States in which tobacco is produced providing for the control of production of, or commerce in, tobacco in such States, and for other purposes.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that the President had approved and signed the following acts and joint resolution:

On April 17, 1936:

S. 2336. An act granting compensation to Mary Weller;

S. 3125. An act for the relief of J. A. Hammond; and

S. 3445. An act to authorize the Secretary of Agriculture to release the claim of the United States to certain land within the Ouachita National Forest, Ark.

On April 20, 1936:

S. 2042. An act for the relief of Grace Park, a minor, the Westerly Hospital, and Dr. H. M. Scanlon.

On April 21, 1936:

S. J. Res. 230. Joint resolution amending paragraph (4) of subsection (n) of section 12B of the Federal Reserve Act, as amended.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Chavez	Hayden	Pittman
Ashurst	Connally	Holt	Pope
Austin	Coolidge	Johnson	Raddcliffe
Bachman	Copeland	Keyes	Reynolds
Bailey	Couzens	King	Robinson
Barbour	Davis	La Follette	Russell
Barkley	Dickinson	Logan	Schwellenbach
Benson	Dieterich	Loneragan	Sheppard
Bilbo	Donahay	Long	Shipstead
Black	Duffy	McAdoo	Stelwer
Bone	Fletcher	McGill	Thomas, Okla.
Borah	Frazier	McKellar	Thomas, Utah
Brown	George	McNary	Townsend
Bulkley	Gerry	Maloney	Truman
Bulow	Gibson	Minton	Vandenberg
Burke	Glass	Murphy	Wagner
Byrd	Guffey	Murray	Walsh
Byrnes	Hale	Neely	Wheeler
Capper	Harrison	Norris	
Caraway	Hastings	O'Mahoney	
Carey	Hatch	Overton	

Mr. ROBINSON. I announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from Colorado [Mr. COSTIGAN], the Senator from Nevada [Mr. McCARRAN], and the Senator from Florida [Mr. TRAMMELL] are absent because of illness; and that the Senator from South Carolina [Mr. SMITH], the Senator from Oklahoma [Mr. GORE], the Senator from Indiana [Mr. VAN NUYS], the Senator from Illinois [Mr. LEWIS], the Senator from New Jersey [Mr. MOORE], and the Senator from Maryland [Mr. TYDINGS] are unavoidably detained from the Senate. I further announce that the Senator from Missouri [Mr. CLARK] is detained because of illness in his family.

Mr. AUSTIN. I announce that the Senator from Rhode Island [Mr. METCALF] is necessarily absent from the Senate.

The VICE PRESIDENT. Eighty-one Senators have answered to their names. A quorum is present.

COMMENDATION OF COAST GUARD

Mr. COPELAND. Mr. President, I send to the desk a short letter, which I ask the clerk to read.

The VICE PRESIDENT. The clerk will read, as requested.

The Chief Clerk read as follows:

UNITED FRUIT CO.,  
New York, N. Y., April 23, 1936.

HON. ROYAL S. COPELAND,  
United States Senator from New York,  
Senate Building, Washington, D. C.

DEAR SIR: We wish to draw your attention to another incident of excellent service rendered by the Coast Guard.

At 11:07 a. m., April 17, when the vessel was about 174 miles from Norfolk, we received a message from the United Mail steamship *Veragua* indicating that Second Officer Boyd had a ruptured appendix and required immediate hospitalization. The Coast

Guard were notified and their cutter and plane service effected the transfer of the man to the Norfolk Hospital where an operation was performed at 4:30 p. m. the same day.

It is our sincere belief that the Coast Guard saved the life of Mr. Boyd, and we wish to express our appreciation of their prompt and efficient service.

Yours very truly,

H. HARRIS ROBSON.

Mr. COPELAND. Mr. President, I think we take pride in the achievements of the Coast Guard and in the bravery of the personnel of that fine organization. So it seems to me proper that a record should be made of the feeling of the steamship line involved in the case referred to in the letter.

DISTRICT OF COLUMBIA AIRPORT COMMISSION

The VICE PRESIDENT appointed the Senator from Utah [Mr. KING], the Senator from New York [Mr. COPELAND], and the Senator from Vermont [Mr. AUSTIN] as the members on the part of the Senate of the District of Columbia Airport Commission, created under the act to establish a commercial airport for the District of Columbia, approved April 21, 1936.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution of the Common Council of the City of Detroit, Mich., favoring the enactment of the bill (H. R. 12243) to release political subdivisions of States from the obligation to repay relief funds received under section 1, subsection E, of title I of the Emergency Relief and Construction Act of 1932, and to eliminate discrimination in the case of certain loans made under that act, and for other purposes, which was referred to the Committee on Banking and Currency.

He also laid before the Senate a resolution of the Council of the City of Columbus, Ohio, favoring the prompt enactment of the so-called Wagner-Ellenbogen low-cost housing bill, which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution adopted by the Forty-fifth Continental Congress of the National Society of the Daughters of the American Revolution, endorsing the proposed sesquicentennial project to commemorate the one hundred and fiftieth anniversary of the completion of the Constitution of the United States by the Constitutional Convention, which was referred to the Committee on the Judiciary.

Mr. ASHURST presented a resolution adopted by members of the executive committee of the Arizona Peace Officers' Association, protesting against the enactment of the bill (S. 2969) to authorize the deportation of criminals, to guard against the separation from their families of aliens of the noncriminal classes, to provide for legalizing the residence in the United States of certain classes of aliens, and for other purposes, or similar legislation, which was ordered to lie on the table.

Mr. COPELAND presented a resolution of the Bookkeepers', Stenographers', and Accountants' Union, No. 12646, American Federation of Labor, of New York City, N. Y., favoring the enactment of legislation creating a court of appeals for civil-service employees, which was referred to the Committee on Civil Service.

He also presented resolutions adopted by the New York State Board of Housing and the Lower East Side Public Housing Conference of New York City, N. Y., favoring the enactment of the so-called Wagner-Ellenbogen low-cost housing bill, which were referred to the Committee on Education and Labor.

He also presented a petition of members of the New York Adult Blind Aid Association, of New York City, N. Y., praying for the enactment of the bill (H. R. 7122) providing for the granting of pensions by the Federal Government to certain blind persons, imposing duties upon the United States Treasurer in connection therewith, providing penalties, and making an appropriation, which was referred to the Committee on Pensions.

He also presented a petition of sundry citizens, being employees of the Kensington (Buffalo), N. Y., post office, praying for the enactment of the bill (H. R. 7688) to provide for the appointment and promotion of substitute postal

employees, and for other purposes, which was referred to the Committee on Post Offices and Post Roads.

#### REPORTS OF COMMITTEES

Mr. GEORGE, from the Committee on Finance, to which was referred the joint resolution (S. J. Res. 200) to extend the period of suspension of the limitation governing the filing of suit under section 19, World War Veterans' Act, 1924, as amended, reported it with amendments and submitted a report (No. 1940) thereon.

Mr. McADOO, from the Committee on Patents, to which was referred the bill (H. R. 11562) to renew patent no. 25909, relating to the badge of the United States Daughters of 1812, reported it without amendment.

Mr. BLACK, from the Committee on Claims, to which were referred the following bills, reported them each with amendments and submitted a report as indicated:

S. 2114. A bill for the relief of D. E. Woodward and Mrs. Murray A. Hintz; and

S. 2576. A bill for the relief of Manuel D. A. Otero as administrator of the estate of Teresita S. Otero, deceased (Rept. No. 1941).

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (S. 4390) to amend the National Defense Act relating to the Medical Administrative Corps, reported it with an amendment and submitted a report (No. 1942) thereon.

Mr. TOWNSEND, from the Committee on Claims, to which was referred the bill (S. 3879) for the relief of James W. Grist, reported it without amendment and submitted a report (No. 1943) thereon.

#### ADDITIONAL COPIES OF "ARKANSAS, A STUDY OF ITS GROWTH AND CHARACTERISTICS"

Mr. HAYDEN. From the Committee on Printing I report a resolution, which I ask may be read.

The VICE PRESIDENT. The clerk will read the resolution.

The resolution (S. Res. 290) was read, as follows:

*Resolved*, That 10,000 additional copies of Senate Document 191, current session, entitled "Arkansas, a Study of its Growth and Characteristics", be printed for the use of the Senate document room.

Mr. McNARY. Mr. President, what is the document referred to?

Mr. HAYDEN. The document is being issued because of a centennial celebration being held in the State of Arkansas. The document relates to the history and progress of the State of Arkansas.

I ask unanimous consent for the present consideration of the resolution.

There being no objection, the resolution was considered and agreed to.

#### COMMEMORATION OF THREE HUNDRETH ANNIVERSARY OF HARVARD UNIVERSITY

Mr. BARKLEY. From the Committee on the Library I report back favorably, with amendments, Senate Joint Resolution 247, and ask unanimous consent for its immediate consideration. It merely authorizes the printing of a special stamp in commemoration of the three hundredth anniversary of the establishment of Harvard University.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. McNARY. Mr. President, it is always proper to read a proposal before asking unanimous consent for its consideration. I am not familiar with the joint resolution, or its contents or purpose.

Mr. BARKLEY. I have no objection to its being read.

The PRESIDING OFFICER. The joint resolution will be read by title.

The Chief Clerk read as follows:

A joint resolution (S. J. Res. 247) authorizing and requesting the President to extend to governments and individuals an invitation to join the Government and people of the United States in the observance of the three hundredth anniversary of the founding of Harvard University, which marked the first formal beginning of higher education in the United States.

The PRESIDING OFFICER. Does the Senator from Oregon desire to have the resolution read at length?

Mr. McNARY. No; the title affords a sufficient outline of its object.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

The amendments of the Committee on the Library were, on page 2, line 3, after the word "That", to strike out "when, in the opinion of the President of the United States, it shall be appropriate for him to do so, the President be, and is hereby, authorized and requested to extend to such governments and individuals as he may determine an invitation to unite with"; in line 8, after the words "United States", to insert "unite with Harvard University"; in line 9, before the word "founding", to strike out the word "the" and insert "its", and in the same line, after the word "founding", to strike out "of Harvard University"; and on page 3, line 13, after the word "to", to strike out "such representatives of governments and other persons as may respond to the invitation of the President extended as hereinbefore provided" and insert "the delegates of foreign universities and other foreign learned bodies or individuals attending the celebration as guests of Harvard University."

The amendments were agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was amended as follows and was agreed to:

In the second whereas on page 1, in the second line, after the word "Harvard", to strike out "University" and insert "College"; in the third line, after the word "the", to insert "16th"; in line 5, before the word "in", to strike out the quotation mark; and on page 2, after the word "benefactors", to strike out the quotation mark, and to strike out the following:

Whereas a tercentenary theater to seat some 15,000 persons is being constructed for the occasion by said university; and

The joint resolution as passed is as follows:

Whereas there are to be held at Cambridge, Mass., and at other places during the year 1936 celebrations commemorating the three hundredth anniversary of the founding of Harvard University, said university being the first college to be established in what are now the United States; and

Whereas, in accordance with resolutions of the president and fellows of Harvard College, there will take place in Cambridge, Mass., on the 16th, 17th, and 18th of September 1936 formal ceremonies of celebration of the tercentenary, in the presence of the governing boards, faculties, students, and alumni of the university, the delegates of other institutions, distinguished guests, and a large number of friends and benefactors; and

Whereas the Commonwealth of Massachusetts and the cities of Cambridge and Boston will be officially represented at the ceremonies; and

Whereas Harvard University endeavors to foster and maintain the ideals of truth and freedom so dear to Americans: Therefore be it

*Resolved, etc.*, That the Government and people of the United States unite with Harvard University in a fitting and appropriate observance of the three hundredth anniversary of its founding, which marked the formal beginning of higher education in the United States.

SEC. 2. There is hereby established a commission to be known as the United States Harvard University Tercentenary Commission (hereinafter referred to as the Commission) to be composed of 15 commissioners, as follows: The President of the United States and four persons to be appointed by him, the President of the Senate and four Members of the Senate to be appointed by said President of the Senate, and the Speaker of the House of Representatives and four Members of the House to be appointed by said Speaker.

SEC. 3. The commission, on behalf of the United States, shall cooperate with representatives of Harvard University, the Commonwealth of Massachusetts, and the cities of Cambridge and Boston in the appropriate observance of such anniversary, and shall extend appropriate courtesies to the delegates of foreign universities and other foreign learned bodies or individuals attending the celebration as guests of Harvard University.

SEC. 4. The members of the commission shall serve without compensation and shall select a chairman from among their number, but the President of the United States shall be designated the "honorary chairman" of the commission.

SEC. 5. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$10,000 to be expended by the commission for expenses, including

actual and necessary traveling and subsistence expenses, incurred while discharging its functions under this resolution. The commission shall have power to select, hire, and fix the compensation of such officers and employees as shall be necessary for the performance of its duties without regard to the provisions of other laws applicable to employment or compensation of officers or employees of the United States.

Sec. 6. Any vacancies occurring in the membership of the commission shall be filled by the President of the United States.

The title was amended so as to read: "A joint resolution authorizing the recognition of the three hundredth anniversary of the founding of Harvard College and of the beginning of higher education in the United States, and providing for the representation of the Government and people of the United States in the observance of the anniversary."

#### CONDITION OF AGRICULTURAL PRODUCERS—EXTENSION OF TIME FOR REPORT

Mr. WHEELER. Mr. President, from the Committee on Agriculture and Forestry, I report back without amendment House Joint Resolution 553, extending the time for the Federal Trade Commission to make an investigation and file final report with respect to agricultural income and the financial and economic condition of agricultural producers generally.

The resolution merely provides for an extension of Public Resolution 61 of the last session of Congress, which directed the Federal Trade Commission to make a study and investigation of "agricultural income and the financial and economic condition of agricultural producers generally."

Under that resolution the Commission was directed to make a final report to Congress not later than July 1, 1936. Due to the failure of passage of the deficiency appropriation bill in the last session, the money for the investigation was not actually appropriated until February 11, 1936. It has not been possible for the Commission to assemble this material for a report by July 1 and the resolution merely extends this date to October 1, 3 months. No additional money is appropriated and no additional authority is given the Commission hereunder.

I ask that a letter from the Chairman of the Federal Trade Commission to the chairman of the Senate Committee on Agriculture and Forestry may be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 2, 1936.

The Honorable ELLISON D. SMITH,  
Chairman, Senate Committee on Agriculture and Forestry,  
United States Senate, Washington, D. C.

In the matter of House Joint Resolution 553, Seventy-fourth Congress, first session. Joint resolution extending the time for the Federal Trade Commission to make an investigation and file final report with respect to agricultural income and the financial and economic condition of agricultural producers generally.

MY DEAR MR. CHAIRMAN: I beg to acknowledge receipt of your letter of April 1, 1936, enclosing copy of House Joint Resolution 553, which passed the House of Representatives March 30, 1936, in which you state that you will welcome a report on the legislation as soon as the Commission has had an opportunity to give it consideration.

In reply to your letter, I beg to state that the resolution is for the purpose of extending the time within which the Commission is directed to complete the investigation and to file final report, with recommendations for legislation, from July 1, 1936, to October 1, 1936, and the preamble to the resolution states the reasons for the proposed extension of time. The resolution further provides that any unexpended balance of the appropriation of \$150,000 made in the Independent Offices Appropriation Act for the fiscal year 1936 for the purpose of making the investigation and the report thereon be also made available for like purposes to and including October 1, 1936.

For the reasons stated in the preamble, the Commission recommends the passage of the joint resolution.

I desire to thank you for referring the matter to the Commission for its consideration.

By direction of the Commission.

CHARLES H. MARCH, Chairman.

Mr. WHEELER. I now ask unanimous consent for the immediate consideration of the joint resolution.

Mr. McNARY. Mr. President, I inquire if the joint resolution has passed the House?

Mr. WHEELER. It has passed the House.

Mr. McNARY. Has it been reported favorably by the proper committee of the Senate?

Mr. WHEELER. It has been reported favorably without amendment.

Mr. McNARY. I understand its only purpose is to extend the time within which the Federal Trade Commission may submit a report on the subject matter.

Mr. WHEELER. It extends the time for 3 months, from July to October 1.

Mr. McNARY. Very well.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Whereas the Federal Trade Commission was authorized under the provisions of Public Resolution No. 61, Seventy-fourth Congress, first session, approved August 27, 1935, to make an investigation with respect to agricultural income and the financial and economic condition of agricultural producers generally; and

Whereas the said Commission was directed to present an interim report to the Congress on January 1, 1936, describing the progress made and the status of its work under said public resolution, and a final report with recommendations for legislation not later than July 1, 1936; and

Whereas it appears that the appropriation for conducting this investigation carried in the deficiency appropriation bill failed of passage in the first session of the Seventy-fourth Congress, and was not actually made until February 11, 1936, although the resolution authorizing the investigation was introduced some 18 months prior to the date specified for the completion of the investigation and report, and was approved August 27, 1935; and

Whereas the extensive information called for under the terms of the said public resolution has caused frequent and numerous requests for extensions of time upon the part of persons from whom such information has had to be obtained, such extensions amounting to from 1 to 3 months in addition to 30 days' time originally allowed by the Commission; and

Whereas it is learned that much of the necessary information cannot be secured by July 1, 1936; and

Whereas it appears that it will be possible for the Commission to secure and present much more comprehensive data and to present a much more thorough and accurate study and report upon the same if the time within which it is directed to complete its investigation and to submit its final report thereon with recommendations for legislation be extended: Therefore be it

Resolved, etc., That the Federal Trade Commission be, and it is hereby, authorized and directed to proceed under the public resolution aforesaid and is directed to complete the investigation thereunder and to submit a final report to the Congress with recommendations for legislation not later than October 1, 1936.

It is hereby further provided that any unexpended balance of the appropriation of the \$150,000 made in the Independent Offices Appropriation Act for the fiscal year 1936 in accordance with the authority contained in Public Resolution No. 61, Seventy-fourth Congress, first session, is hereby made available for like purposes to and including October 1, 1936.

The preamble was agreed to.

#### BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THOMAS of Oklahoma:

A bill (S. 4531) for the relief of Alfred Y. Davenport; to the Committee on Military Affairs.

By Mr. COPELAND (by request):

A bill (S. 4532) to confer jurisdiction on the Court of Claims to hear and determine the claim of New York Harbor Drydock Corporation; to the Committee on Claims.

By Mr. BILBO:

A bill (S. 4533) granting the consent of Congress to the Mississippi State Highway Commission to construct, maintain, and operate a free highway bridge across the Pascagoula River at or near Wilkersons Ferry, Miss.; to the Committee on Commerce.

By Mr. BONE:

A bill (S. 4534) for the relief of Warner Smith; to the Committee on Patents.

By Mr. DAVIS:

A bill (S. 4535) for the relief of Roy S. Kostenbader; to the Committee on Claims.

A bill (S. 4536) to amend section 64 of the Bankruptcy Act of the United States; to the Committee on the Judiciary.

By Mr. RADCLIFFE:

A bill (S. 4537) granting a pension to Joseph Galonska; to the Committee on Pensions.

By Mr. OVERTON:

A bill (S. 4538) providing for an examination and survey for a deep-water channel from New Iberia, Parish of Iberia, La., to the Gulf of Mexico; to the Committee on Commerce.

By Mr. KING:

A bill (S. 4539) to amend the act entitled "An act to regulate the bringing of actions for damages against the District of Columbia, and for other purposes", approved February 28, 1933; and

A bill (S. 4540) to provide for the operation of bathing pools in the District of Columbia under the jurisdiction of the Secretary of the Interior, and for other purposes; to the Committee on the District of Columbia.

A bill (S. 4541) to reserve certain lands in the State of Utah for the Shivwitz, Koosharem, and Kanosh Bands of Paiute Indians; to the Committee on Public Lands and Surveys.

#### EDITORIAL ON RITTER IMPEACHMENT TRIAL

Mr. McKELLAR. Mr. President, I ask permission to have printed in the RECORD an editorial which was published in the Memphis Commercial Appeal of April 21, 1936, relating to the Ritter impeachment case.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Commercial Appeal, Memphis, Tenn., Apr. 21, 1936]

#### A WARNING TO JUDGES

Cumbersome though the process may be, the United States Senate, in returning a judgment against Judge Ritter, served notice upon Federal judges that general unfitness for office is quite as serious as a specific misdemeanor. In fact, the main conclusion to be drawn from the Ritter conviction is that while a judge may err in isolated cases, this will be overlooked if his general temperament and integrity are not too conspicuously involved.

Judge Ritter was acquitted of charges setting out particular offenses, but was caught on an article which enabled Senators to weigh his fitness and consider that fitness in connection with its effect upon the administration of justice.

Ritter should have never been named to the Federal bench in the first place. He lived in Colorado for 30 years, and showed up in Florida in 1925. A bare 3 years later President Coolidge named him to the bench. It was a political appointment and smacked too much of the carpetbagging of other days to be a popular appointment. However, a vigorous and wholesome conduct of the court would have overcome all prejudices; but from the testimony presented to the Senate the conduct of the Court was quite the reverse of this.

Ritter's conviction is the fourth in the history of the country, the twelfth impeachment to be tried.

Already there is a movement on foot to simplify the process by providing that testimony may be taken by a select senatorial committee and presented to the whole body with such briefs and arguments as may be necessary. It seems out of date to tie up the Senate with details of the trial, even to the taking of testimony. This is especially true since the Senate sits, not as a jury, where it might be confined to certain rules, but as a Court where it is the sole judge of the law and the facts.

While the Constitution recites that judges may be impeached for the high crimes and misdemeanors, it has been generally conceded that such crimes need not be conclusively shown. This was evidenced by the Ritter judgment. This is a warning to judges that they will be held to a strict accountability in spite of the life term to which they are appointed or of the rare instances in which they are called to answer.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, communicated to the Senate the intelligence of the death of Hon. JOHN T. BUCKBEE, late a Representative from the State of Illinois, and transmitted the resolutions of the House thereon.

The message announced that the House had passed the bill (S. 4335) to authorize the coinage of 50-cent pieces in commemoration of the centennial celebration of Cleveland, Ohio, to be known as the Great Lakes Exposition, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 12098) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1937, and for other purposes, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. McMILLAN, Mr. CARY, Mr. TARVER, Mr. Mc-

ANDREWS, Mr. RABAUT, Mr. BACON, and Mrs. KAHN were appointed managers on the part of the House at the conference.

#### CONSIDERATION OF UNOBTAINED BILLS ON THE CALENDAR

The VICE PRESIDENT. If there be no resolutions coming over from a previous day, under the unanimous-consent agreement the calendar is in order for the consideration of unobjected bills.

Mr. CAREY. Mr. President, I move that the Senate consider at this time Senate Resolution 229, requesting the Civil Service Commission to furnish the Senate certain information.

The VICE PRESIDENT. The Chair is advised by the parliamentary clerk that there are no resolutions coming over from a previous day.

Mr. CAREY. Can I not move to have the resolution considered?

Mr. ROBINSON. I make the point of order that under the agreement entered into yesterday the Senate must proceed at this time to the consideration of unobjected bills on the calendar.

Mr. McNARY. Mr. President, I was not present at the close of the session yesterday, but I thought we would have the ordinary routine morning business.

Mr. ROBINSON. We have had it.

The VICE PRESIDENT. The Senate has transacted its routine morning business.

Mr. McNARY. I am not familiar with the position taken by my colleague from Wyoming [Mr. CAREY]. I know his resolution does not come over from a previous day, but is on the table.

The VICE PRESIDENT. The resolution is on the table at the present time.

Mr. McNARY. It would require a motion to proceed to its consideration.

The VICE PRESIDENT. It would.

Mr. McNARY. Is the motion of the Senator from Wyoming excluded by virtue of the unanimous-consent agreement?

The VICE PRESIDENT. Under the unanimous-consent agreement, when the Senate concluded the routine morning business today it was to proceed to consider unobjected bills on the calendar. The clerk will state the first bill in order on the calendar.

#### BILLS PASSED OVER

The bill (S. 944) to amend section 5 of the Federal Trade Commission Act was announced as first in order.

Mr. VANDENBERG. I ask that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 213) to amend section 113 of the Criminal Code of March 4, 1909, 35 Statutes, 1109 (U. S. C., title 18, sec. 203), and for other purposes, was announced as next in order.

Mr. MCGILL. I ask that the bill go over.

The VICE PRESIDENT. The bill was be passed over.

The bill (S. 1506) to change the name of the Pickwick Landing Dam to Quin Dam was announced as next in order.

Mr. McKELLAR. I ask that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 574) relative to Members of Congress acting as attorneys in matters where the United States has an interest was announced as next in order.

SEVERAL SENATORS. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 509) to prevent the use of Federal offices or patronage in elections and to prohibit Federal officeholders from misuse of positions of public trust for private and partisan ends was announced as next in order.

Mr. ROBINSON. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 24) to assure to persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching was announced as next in order.

Mr. ROBINSON and Mr. McKELLAR asked that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1452) providing for the employment of skilled shorthand reporters in the executive branch of the Government was announced as next in order.

Mr. KING. I ask that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 87) to prevent the shipment in interstate commerce of certain articles and commodities in connection with which persons are employed more than 5 days per week or 6 hours per day, and prescribing certain conditions with respect to purchases and loans by the United States and codes, agreements, and licenses under the National Industrial Recovery Act was announced as next in order.

Mr. VANDENBERG. I ask that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1460) to fix standards for till baskets, climax baskets, round stave baskets, market baskets, drums, hampers, cartons, crates, boxes, barrels, and other containers for fruits or vegetables, to consolidate existing laws on this subject, and for other purposes, was announced as next in order.

SEVERAL SENATORS. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 212) to liquidate and refinance agricultural indebtedness at a reduced rate of interest by establishing an efficient credit system, through the use of the Farm Credit Administration, the Federal Reserve banking system, and creating a Board of Agriculture to supervise the same, was announced as next in order.

Mr. ROBINSON. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1476) to provide for unemployment relief through development of mineral resources, to assist the development of privately owned mineral claims, to provide for the development of emergency and deficiency minerals, and for other purposes, was announced as next in order.

Mr. VANDENBERG. I ask that that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 476) relating to promotion of civil-service employees, was announced as next in order.

Mr. McKELLAR. I ask that that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1952) extending the classified executive civil service of the United States, was announced as next in order.

Mr. NEELY. I ask that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2405) to provide for a special clerk and liaison officer, was announced as next in order.

Mr. McKELLAR. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 916) to carry into effect the decision of the Court of Claims in favor of claimants in French spoliation cases not heretofore paid, was announced as next in order.

Mr. VANDENBERG. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2583) establishing certain commodity divisions in the Department of Agriculture, was announced as next in order.

Mr. KING. I ask that that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 379) to provide for the deportation of certain alien seamen, and for other purposes, was announced as next in order.

Mr. McKELLAR. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2998) to control the trade in arms, ammunition, and implements of war was announced as next in order.

Mr. McKELLAR. I ask that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1632) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by water carriers operating

in interstate and foreign commerce, and for other purposes, was announced as next in order.

Mr. McKELLAR. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2825) to provide for the establishment of a National Planning Board and the organization and functions thereof was announced as next in order.

Mr. KING. I ask that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 3072) to amend the Tariff Act of 1930, as amended, was announced as next in order.

SEVERAL SENATORS. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2665) to change the name of the Department of the Interior and to coordinate certain governmental functions was announced as next in order.

Mr. McKELLAR. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1826) for the retirement of employees in the classified civil service to include employees in the legislative branch was announced as next in order.

Mr. THOMAS of Oklahoma. I ask that that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (H. R. 8555) to develop a strong American merchant marine, to promote the commerce of the United States, to aid in national defense, and for other purposes, was announced as next in order.

Mr. McKELLAR. I ask that that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 3420) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by aircraft in interstate and foreign commerce, and for other purposes, was announced as next in order.

Mr. KING. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 3393) to create a Federal Board of Foreign Trade was announced as next in order.

Mr. VANDENBERG. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 6772) to amend the Grain Futures Act to prevent and remove obstructions and burdens upon interstate commerce in grains and other commodities by regulating transactions therein on commodity futures exchanges, to limit or abolish short selling, to curb manipulation, and for other purposes, was announced as next in order.

Mr. McKELLAR. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

#### BUREAU OF NAVIGATION AND STEAMBOAT INSPECTION

The Senate proceeded to consider the bill (H. R. 8599) to provide for a change in the designation of the Bureau of Navigation and Steamboat Inspection, to create a marine casualty investigation board and increase efficiency in administration of the steamboat-inspection laws, and for other purposes.

Mr. COPELAND. Mr. President, it will be recalled that some days ago we partially perfected this bill when the Senator from Vermont [Mr. GIBSON] said he wished to prepare an amendment to it. He has done so, and the amendment is entirely satisfactory to the Commerce Committee. I inquire if the Senator from Vermont has a copy of it?

Mr. GIBSON. I have a copy of the amendment and desire to offer it at this time.

The PRESIDENT pro tempore. Does the Senator ask to have the amendment read?

Mr. GIBSON. I should like to have the amendment stated. I send a copy of it to the desk.

Mr. COPELAND. Mr. President, I may say the proposal is to strike out section 4, on page 3, and insert the language presented by the Senator from Vermont.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. On page 3, after line 19, it is proposed to strike out down to and including line 13, on page 4, being section 4, and in lieu thereof to insert the following:

SEC. 4450. (a) There is hereby created a marine casualty investigation board, which board is authorized and directed, under such rules as such board may prescribe, to investigate and prepare written reports on all marine accidents and disasters resulting in loss of life and involving either any merchant vessel of the United States, or any ocean-going commercial craft of any sort whether designed to travel in the air or on or in the water, and, in the discretion of the board, any other marine accident or disaster, in order to determine whether any incompetence, misconduct, negligence, unskillfulness, or willful violation of law on the part of any licensed officer, pilot, seaman, employee, owner, or agent of such owner of any vessel involved in such accident or disaster, or any inspector, officer of the Coast Guard, or other officer or employee of the United States, or any other person, caused or contributed to the cause of such accident or disaster. The board shall consist of a chairman and two other members; the chairman shall be an officer or employee of the Department of Justice (learned in maritime laws) designated by the Attorney General; one member shall be a supervising inspector of the Bureau of Marine Inspection and Navigation designated by the Secretary of Commerce; and the other member shall be an officer of the United States Coast Guard designated by the Secretary of the Treasury. Neither the chairman nor any of the other members shall receive any salary by virtue of service on the board in addition to that received from the department to which he is attached. All reports shall be made to the Secretary of Commerce and such reports shall be public records and be open to inspection at reasonable times by any person. Copies of such reports shall be sent to the Attorney General and to the Secretary of the Treasury. The findings of this board with respect to the conduct of any officer, pilot, or person now or hereafter licensed by the Department of Commerce, and the record upon which such findings are based, shall be admissible in evidence in proceedings before the proper local board of inspectors for the revocation or suspension of the license of such officer, pilot, or person.

Mr. KING. Mr. President, I should like an explanation of the bill, including the reason for changing the name, and also an explanation of the amendment which has just been tendered. It seems to me the bill proposes to create an organization within an existing organization which is competent to deal with the subject.

Mr. COPELAND. Mr. President, the purpose of the bill is to promote safety at sea. Senators are aware that a great many newspaper articles are being published these days about the failure of the Federal Government and the Department of Commerce to provide adequate safeguards. The purpose of the bill is to enlarge somewhat the function of the Bureau of Navigation. It is proposed to change the name in order that it may conform more with similar organizations of other countries.

The amendment which has been presented by the Senator from Vermont [Mr. Gibson] is, in my judgment, a wise amendment, because it provides for a permanent board in the Department instead of one created or appointed in each instance to deal with the accident. The trouble with the old plan was that the very department which was considered responsible for the defects in providing safety devices was the department which was to pass upon the accident and its cause. The amendment of the Senator from Vermont provides for a permanent board to investigate accidents, which board is to be presided over by a representative of the Department of Justice. That is very wise, because criminal acts are usually involved in these accidents. It is provided that the Department of Justice, the Department of Commerce, and the United States Coast Guard shall have representatives to constitute the board. This is without expense to the Government. It is simply an interdepartmental board.

Another matter which I wish to mention is that as this bill came to us the appointments in the Bureau were to be made without regard to the civil-service law. The Senator from Washington [Mr. Bone] presented an amendment placing them under the civil-service law, and the committee is of the view that that should be done. If the Senator from Utah is satisfied with the amendment presented by the Senator from Vermont, I shall suggest the other amendment relating to civil service.

Mr. McKELLAR. Mr. President, are employees to be put under the civil service?

Mr. COPELAND. Yes.

Mr. McKELLAR. And the members of the board, too?

Mr. COPELAND. No; not the members of the board. They will be outstanding members of the Government—the Attorney General, the Secretary of Commerce, and the head of the Coast Guard. They are not under the civil service, of course. The other amendment relates to other employees, who should be under the civil service.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Vermont [Mr. Gibson].

The amendment was agreed to.

Mr. COPELAND. I ask that the amendment on page 2, in lines 3 and 4, be disagreed to.

The PRESIDENT pro tempore. Without objection, the amendment is rejected.

Mr. COPELAND. Now, I move, on page 2, in line 3, to strike out the words "without regard to the civil-service rules and regulations."

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 2, line 3, it is proposed to strike out the words "without regard to the civil-service rules and regulations", so as to make the sentence read:

There shall be seven supervising inspectors, who shall be appointed by the Secretary of Commerce.

The amendment was agreed to.

Mr. COPELAND. I ask now that the committee amendment on page 3, lines 3 and 4, be rejected.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 3, line 3, after the word "commerce", it is proposed to insert the words "without regard to the civil-service clause or the Classification Act of 1925, as amended", so as to read:

SEC. 3. That there shall be in the field service of the Bureau of Marine Inspection and Navigation in the Department of Commerce without regard to the civil-service laws or the Classification Act of 1925, as amended, not to exceed 10 principal traveling inspectors to be appointed by the Secretary of Commerce, the compensation of such principal traveling inspectors to be fixed by the Secretary of Commerce at not to exceed \$5,000 per annum.

The amendment was rejected.

The PRESIDENT pro tempore. The next amendment of the committee will be stated.

The next amendment of the Committee on Commerce was, on page 4, to strike out:

(b) For the purpose of investigating marine casualties not involving loss of life and all cases of acts of incompetency or misconduct or any act in violation of any of the provisions of this title, or of any of the regulations issued thereunder, committed by any licensed officer or holder of a certificate of service while acting under the authority of his license or certificate of service, whether or not any of such acts are committed in connection with any marine casualty, the Director of the Bureau of Marine Inspection and Navigation, with the approval of the Secretary of Commerce, is hereby authorized and directed to appoint marine boards, each consisting of two principal traveling inspectors and a supervising inspector of the said Bureau.

And insert:

(b) The Secretary of Commerce shall establish rules and regulations for the investigation of marine casualties and accidents not involving loss of life, any act in violation of any of the provisions of this title or of any of the regulations issued thereunder, and all cases of acts of incompetency or misconduct committed by any licensed officer or holder of a certificate of service while acting under the authority of his license or certificate of service, whether or not any of such acts are committed in connection with any marine casualty or accident. The Secretary of Commerce shall classify marine casualties and accidents not involving loss of life according to the gravity thereof and in making such classification the Secretary shall give consideration to the extent of injuries to persons, the extent of property damage, the dangers actual or potential which such marine casualties or accidents may create to the safety of navigation or commerce. All such marine casualties or accidents classified as serious shall be investigated by a marine board appointed by the Secretary of Commerce, consisting of two principal traveling inspectors and a supervising inspector of the Bureau of Marine Inspection and

Navigation. Marine casualties or accidents classified as less serious shall be investigated by a marine board consisting of representatives of the Bureau of Marine Inspection and Navigation designated by the Director thereof.

The amendment was agreed to.

The next amendment was, on page 6, after line 12, to strike out:

(d) Immediately after the occurrence of a marine casualty, the appropriate board shall conduct an investigation into any acts of incompetency or misconduct or any acts in violation of any of the provisions of this title, or of any of the regulations issued thereunder, committed by any licensed officer acting under authority of his license, or by any chief or assistant steward, purser, or radio operator acting under authority of a certificate of service issued to him by the board of local inspectors of steam vessels, or by any seaman; and into all circumstances surrounding such marine casualty, and shall determine, so far as possible, the cause of such casualty, the persons responsible therefor, and whether or not United States Government employees charged with the inspection of the vessel or vessels involved and with the examination and licensing of the officers thereof have properly performed their duties in connection with such inspection, examination, and licensing.

And to insert in lieu thereof:

(d) All acts in violation of any of the provisions of this title or of any of the regulations issued thereunder, whether or not committed in connection with any marine casualty or accident, and all acts of incompetency or misconduct, whether or not committed in connection with any marine casualty or accident, committed by any licensed officer acting under authority of his license or by any chief or assistant steward, purser, radio operator, electrician, able seaman, or lifeboatman acting under authority of a certificate of service issued to him by the Bureau of Marine Inspection and Navigation, and all marine casualties and accidents and the attendant circumstances shall be immediately investigated by the appropriate board as provided in subsection (b) of this section. Such board shall determine, as far as possible, the cause of any such casualty or accident, the persons responsible therefor, and whether or not United States Government employees charged with the inspection of the vessel or the vessels involved and with the examination and licensing of the officers thereof have properly performed their duties in connection with such inspection, examination, and licensing. In all investigations conducted under the authority of this section, a full and complete record of the facts and circumstances shall be submitted to the Director of the Bureau of Marine Inspection and Navigation.

Mr. COPELAND. Mr. President, in order that the amendment of the Senator from Vermont may be properly referred to, I move to amend, on page 7, in line 18, by striking out "subsection (b)" and inserting "subsections (a) and (b)", so as to read, "Subsections (a) and (b)."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment of the Committee on Commerce was, on page 13, line 15, after the word "vessels", to insert the words "except as far as existing law places definite responsibility on the Bureau of Marine Inspection and Navigation", so as to make the proviso read:

*Provided*, That approved plans and certificates of the American Bureau of Shipping classed vessels may be accepted by the Director as evidence of the structural efficiency of the hull and the reliability of the machinery of such vessels, except as far as existing law places definite responsibility on the Bureau of Marine Inspection and Navigation.

The amendment was agreed to.

Mr. COPELAND. On page 13, beginning in line 17, the sentence ending with the word "calculations", in line 24, should be stricken out. I offer that as an amendment.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 13, line 17, it is proposed to strike out the following:

In the case of passenger ships building to class with the American Bureau of Shipping, certificates of the said American Bureau of Shipping certifying to the adequacy of the subdivision arrangement, on the basis of any regulations issued by the Department of Commerce, may be accepted by the Director, subject, however, to the submission to the Bureau of Marine Inspection and Navigation and the approval of the Director of all flooding calculations.

The amendment was agreed to.

The PRESIDENT pro tempore. The next amendment of the committee will be stated.

The next amendment of the Committee on Commerce was, on page 17, after line 4, to strike out "the said extra com-

pensation for overtime services shall be paid by the master, owner, or agent of such vessel to the" and to insert in lieu thereof the words "A fee of \$25, for each 8 hours or fraction thereof that an inspector is engaged for overtime, holiday, or Sunday work, shall be paid by the master, owner, or agent of the vessel to the", so as to read:

A fee of \$25, for each 8 hours or fraction thereof that an inspector is engaged for overtime, holiday, or Sunday work, shall be paid by the master, owner, or agent of the vessel to the local United States collector of customs or his representative, who shall deposit such collection into the Treasury of the United States to an appropriately designated receipt account.

The amendment was agreed to.

The next amendment of the Committee on Commerce was, on page 19, to insert a new section 8, as follows:

Sec. 8. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

The amendment was agreed to.

The next amendment of the Committee on Commerce was, on page 19, line 4, to change the section number from "8" to "9."

The amendment was agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

#### BILL PASSED OVER

The bill (S. 2003) to amend section 13 of the act of March 4, 1915, entitled "An act to promote the welfare of American seamen in the merchant marine of the United States; to abolish arrest and imprisonment as a penalty for desertion and to secure the abrogation of treaty provisions in relation thereto; and to promote safety at sea" was announced as next in order.

Mr. McKELLAR. Mr. President, may we have an explanation of the bill?

Mr. ROBINSON. Mr. President, may I inquire if this is the general merchant marine bill?

Mr. COPELAND. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

#### TRANSFER OF POWDER AND OTHER EXPLOSIVE MATERIALS

The bill (S. 3646) to repeal an act of March 3, 1933, entitled "An act to provide for the transfer of powder and other explosive materials from deteriorated and unserviceable ammunition under the control of the War Department to the Department of Agriculture for use in land clearing, drainage, road building, and other agricultural purposes" was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That the act of Congress entitled "An act to provide for the transfer of powder and other explosive materials from deteriorated and unserviceable ammunition under the control of the War Department to the Department of Agriculture for use in land clearing, drainage, road building, and other agricultural purposes", approved March 3, 1933, be, and the same is hereby, repealed.

#### BILL PASSED OVER

The bill (S. 3154) making it unlawful for any person engaged in commerce to discriminate in price or terms of sale between purchasers of commodities of like grade and quality, to prohibit the payment of brokerage or commission under certain conditions, to suppress pseudo-advertising allowances, to provide a presumptive measure of damages in certain cases, and to protect the independent merchant, the public whom he serves, and the manufacturer from whom he buys, from exploitation by unfair competitors was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

#### WILLIAM H. CLINTON

The bill (H. R. 3604) to place William H. Clinton on the retired list of the Navy was announced as next in order.

Mr. McKELLAR. Over.

Mr. DAVIS. Mr. President, will the Senator withhold his objection until I make an explanation?

Mr. McKELLAR. I understand the Department opposed the bill and ascertained that it would be vetoed if passed. However, I am willing to hear the Senator's explanation.

Mr. DAVIS. Mr. President, as I understand, William H. Clinton, an enlisted man in the Navy, was advanced to the rank of gunner during the World War and served on the destroyer *Sterrett* in the war zone.

During a severe storm at sea the personnel and the vessel itself became endangered due to heavy seas breaking over the ship, smashing lifeboats and other fittings about the ship. Clinton volunteered to clear away this wreckage, and while doing so another heavy sea came on board and he was pinned under the wreckage. With great difficulty he was extricated from this wreckage and carried below.

This small vessel carried no doctor; and no mention was made of the injuries received in his health record. However, an entry was made in the ship's log book that he was injured on this occasion. An affidavit to this effect has been furnished by the commanding officer of the vessel.

The Veterans' Administration finds this man to be 60 percent disabled and that the injury was received in line of duty. He is now drawing compensation from the Administration at the rate of \$42.80 per month.

Regarding the unfavorable report from the Navy Department, it may be stated that they probably made their report on the medical record in this case—no medical record was made in this case, as the ship carried no doctor—and failed to consider the entry made in the ship's log book.

This bill merely authorizes this man to appear before a Navy retiring board, and he will not be placed on the retired list unless the board finds that he was permanently injured in line of duty.

The Committee on Naval Affairs reported unanimously in favor of the bill.

Mr. McKELLAR. Mr. President, I desire to insert in the Record at this point the report of the committee, including a letter from former Secretary of the Navy Adams, and after that shall have been done I will ask that the bill go over.

There being no objection, the report was ordered to be printed in the Record, as follows:

Report to accompany H. R. 3604

The Committee on Naval Affairs, to whom was referred the bill (H. R. 3604) to place William H. Clinton on the retired list of the Navy, having considered the same, report it to the Senate without amendment, with the recommendation that the bill do pass.

The House report which explains the merits of the bill and also contains the letter from the Secretary of the Navy is hereby made a part of this report.

[H. Rept. No. 601, 74th Cong., 1st sess.]

"The Committee on Naval Affairs of the House of Representatives, to whom was referred the bill (H. R. 3604) to place William H. Clinton on the retired list of the United States Navy, having considered the same, report it to the House with the recommendation that it do pass.

"A similar bill (H. R. 1845) was reported to the House in the Seventy-second Congress. A similar bill (H. R. 4079) was reported to the House, and passed the House, in the Seventy-third Congress.

"The purpose of this bill is to appoint William H. Clinton a warrant gunner and place him on the retired list as such, provided a naval retiring board finds that he incurred physical disability incident to the naval service while on the active list of the Navy.

"The records of the Navy Department show that after a period of over 8 years' service as an enlisted man, William H. Clinton was appointed a temporary gunner in the Navy on October 13, 1917, to rank from September 24, 1917, and served as such until April 28, 1920, when his resignation was accepted at his own request.

"It was established to the entire satisfaction of the committee that Mr. Clinton was seriously and probably permanently injured on December 17, 1917, while serving on the U. S. S. *Sterrett*, during a storm at sea, when the wreckage of a lifeboat and life rafts were thrown on his back. Through a mistake, no medical notation was made of this injury, but there was a notation of this fact made on the official log of the *Sterrett* and affidavits were presented from Captain Simpson and Lieutenant Commander Alexander showing that Clinton was seriously and probably permanently injured at the time. These statements are hereto attached and made a part of this report.

"3. The circumstances, in few words, are as follows:

"(a) A heavy gale was running.

"(b) At about 5 a. m. on the morning of December 17, while laying to, running before the gale, a sea came over and carried away the starboard lifeboat, which was properly secured in her

cradle on deck. The same sea also carried away two small life rafts secured on deck. These loosened fragments were a menace to other fittings and possible safety of the ship. Manifestly, this wreckage was also a danger to the crew, should it become necessary to send a man down the deck to relieve the watch in the fireroom or engine room.

"(c) Lieutenant Alexander, Clinton, and I endeavored to clear the wreckage. There were volunteers from the members of the crew of the gun's crew, but it was considered the situation was too dangerous to allow too great a number out of shelter from the seas. While at work endeavoring to clear away the wreckage another sea came over. Lieutenant Alexander and I were able to grab the jackstay on the smokestack, but Clinton, not being near that, stooped down and held onto the fireroom hatch. A spud locker nearby, which had been partially cast adrift by the first sea, fell on Clinton's leg, pinning him to the deck. Another sea came aboard and threw the wreckage of the lifeboat and life rafts on his back.

"(d) It was with great difficulty and danger that Clinton was extracted from the wreckage and carried below. At the time he complained of his back, his right leg, and stomach being very sore.

"(e) During the stress of the weather, the force of which may be realized by the fact that all the boats were lost, the radio shack smashed in, and even both pipes to the oil-settling tanks carried away, a notation in Clinton's medical record was overlooked.

"4. It is a fact, however, that a notation was made in the official log over my signature, as follows:

"December 17, 1917. U. S. S. *Sterrett*.

"5:15 a. m. starboard whaleboat carried away.

"5:25 a. m. Gunner (T) W. H. Clinton, U. S. N., injured clearing away wreckage."

"5. Clinton was laid up for some time and, in my opinion, uncompromisingly went back to duty before he had recovered from the effects of this injury. With his high sense of duty, it was characteristic of him not to complain or even to ask medical advice during the continuance of war, for fear that he might be laid up and not do what he considered his part.

"6. The injury to the spine received on this occasion, not being treated through the following years, naturally became aggravated and I understand giving him a great amount of trouble at the present time.

"7. It is trusted that the Veterans' Bureau will give Clinton the maximum compensation it can for this very deserving case; anything further I can do I will be only too glad to do so.

"G. W. SIMPSON."

"UNITED STATES FLEET,

"AIRCRAFT SQUADRON'S BATTLE FLEET,

"U. S. S. 'SARATOGA',

"Coronado Roads, Calif., May 8, 1929.

"WILLIAM H. CLINTON,

"Roslindale, Mass.

"DEAR CLINTON: I have learned with sincere regret that you have been having trouble from that injury you received while attached to the U. S. S. *Sterrett*. I also regret that a full and complete record was not made at the time. This was due, of course, to our not having a doctor on board and to the stress of those hectic days which followed.

"The incidents leading up to and following your accident are very vividly stamped on my memory for the reason that, on December 17, 1917, the *Sterrett* was being punished by seas, the magnitude of which I had never before (or since) seen a ship live in.

"I recall during our struggle with the loose gear on deck that morning the wave which smashed you up with the bread box, etc., also washed me along and after it passed, and not seeing you I feared that you had gone overboard. I was the one who called out 'Where is the gunner?' When we got you onto the wardroom cot I was afraid your leg was broken and desired to cut your boot off rather than to compound a fracture.

"During the stress of weather which followed and getting the ship safely to port I am afraid we did not give you the attention and sympathy you deserved at the time, but we did the best we could except to log full and complete report, if, as you say, only the fact that you were injured was logged.

"I kept a personal diary all during the war and have an entry therein concerning the wave that hit us and your and my reception of same and a notation of your injury.

"As I recall your departure from the *Sterrett*, you still had a stiff leg and back when you left us. I cannot understand why the pharmacist failed to record injury to your back and leg in your medical record.

"As stated above, having you saved from going overboard that morning and due to the fact that you bore your misfortune silently and in a seamanlike manner without complaint are the only reasons I can give as accounting for such a brief entry in the log.

"I am prepared, if necessary, to furnish an affidavit to the effect that you received a severe injury to the leg and back on December 17, 1917, which caused you pain and severe stiffness of body and limb for over a period of 1 week or more (exact time I cannot recall).

"Having served with you under the acid test of war, I know you to be of the type and caliber of a man who would bear your troubles without complaint. If now, as a result of an injury incurred in line of duty, to which I personally assigned you, you are incapacitated, you can be assured that, if advised as to the

proper person to address, I will gladly forward any further information dealing on the subject of your injury or relative to your excellent performance of duty while serving with me on the *Sterrett*.

"With my sincere regret to learn of your misfortune, I am,  
"Yours truly,

"J. T. ALEXANDER,

"Lieutenant Commander, United States Navy.

"Some years ago Clinton applied to the Veterans' Bureau for compensation and was rated 70 percent disabled, which rating was changed to 60 percent. He is receiving \$42.80 per month.

"The Veterans' Bureau found that his present condition was service connected.

"As a result of these injuries he was operated on at the naval hospital in New York in 1919, and the medical record of the case states that the origin of the trouble was in line of duty. The operation was for appendicitis and hernia.

"The following letter from the Secretary of the Navy sets forth the Navy Department's views of the bill, and is hereby made a part of this report:

"NAVY DEPARTMENT,  
"OFFICE OF THE SECRETARY,

"Washington, D. C., January 26, 1935.

"The CHAIRMAN, COMMITTEE ON NAVAL AFFAIRS,

"House of Representatives, Washington, D. C.

"MY DEAR MR. CHAIRMAN: The report and recommendations of the Navy Department on the bill listed below are the same as those previously submitted to the chairman, House Naval Affairs Committee on the date indicated:

"H. R. 3604, February 5, 1932.

"Sincerely yours,

"CLAUDE A. SWANSON.

"The letter above referred to is as follows:

"WASHINGTON, February 5, 1932.

"CHAIRMAN, COMMITTEE ON NAVAL AFFAIRS,

"House of Representatives, Washington, D. C.

"MY DEAR MR. CHAIRMAN: Replying further to the committee's letter of December 19, 1931, transmitting the bill (H. R. 1845) to place William H. Clinton on the retired list of the Navy, and requesting the views of the Navy Department thereon, I have the honor to inform the committee as follows:

"The purpose of the bill is to appoint William H. Clinton a warrant gunner and place him on the retired list as such, provided a naval retiring board finds that he incurred physical disability incident to the naval service while on the active list of the Navy.

"The records of the Navy Department show that, after a period of over 8 years' service as an enlisted man, William H. Clinton was appointed a temporary gunner in the Navy on October 13, 1917, to rank from September 24, 1917, and served as such until April 28, 1920, when his resignation was accepted at his own request.

"The only individuals who have been placed on the retired list in the rank temporarily held are those who contracted physical disability in the line of duty during the World War. The Navy Department is not aware of any permanent disability incurred in the service which would entitle Mr. Clinton to retirement, even were he still on the active list of the Navy. Further attention is invited to the fact that in a letter to the Bureau of Navigation dated February 28, 1921, requesting enrollment in the Naval Reserve Force, class 1, Mr. Clinton made the following statement:

"I am of the opinion that I am physically qualified to perform all the duties of a gunner on active duty at sea."

"The bill, H. R. 1845, would, if enacted into law, result in an additional cost to the Government of approximately \$1,512 per annum.

"In view of the above, the Navy Department recommends against the enactment of the bill H. R. 1845.

"Sincerely yours,

"C. F. ADAMS, Secretary of the Navy."

The PRESIDENT pro tempore. On objection, the bill will be passed over.

#### VOCATIONAL EDUCATION

The bill (S. 2883) to provide for the further development of vocational education in the several States and Territories was announced as next in order.

Mr. GEORGE. Mr. President, I shall not ask for consideration of the bill under the present order, but it is expected that a motion will be made to make it a special order at an early date. I ask that it go over at this time.

Mr. McNARY. Mr. President, I feel considerable interest in the bill to which the Senator just addressed himself; but, because of confusion in the Chamber, I did not understand the remarks of the Senator. Did he ask that it be made a special order at a later date?

Mr. GEORGE. I did not ask it, but gave notice that it is expected to ask to have it made a special order at an early date. It could hardly be disposed of under the present order.

The PRESIDENT pro tempore. The bill will be passed over.

#### GOVERNMENT FOR AMERICAN SAMOA

The Senate proceeded to consider the bill (S. 3113) to provide a government for American Samoa, which was read.

Mr. ROBINSON. Mr. President, similar bills have passed the Senate three times heretofore. The measure was first introduced by the chairman of the Committee on Territories and Insular Affairs, the former Senator from Connecticut, Mr. Bingham, having been prepared by a commission, of which I myself was one of the members. Subsequently, I introduced the bill and it was passed; and I think similar bills have passed this body three times. No action has been taken on them in the House of Representatives. I think the bill might very well be passed again.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. COPELAND subsequently said: Mr. President, may I ask what happened to Senate bill 3113?

The PRESIDENT pro tempore. The bill has been passed.

Mr. COPELAND. I ask unanimous consent that the bill may be returned to the calendar. I was busy with another matter at the time it was reached.

Mr. ROBINSON. I do not object to that request, Mr. President.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. KING. Mr. President, I may say—perhaps it is not quite germane—that similar bills have been before the Senate a number of times. I think most of us are familiar with the measure. It has received the approval of the Senate upon three different occasions.

Mr. COPELAND. At a future time I desire to present some argument relative to the matter.

The PRESIDENT pro tempore. The bill will be returned to the calendar.

#### BILLS, ETC., PASSED OVER

The joint resolution (S. J. Res. 205) providing for disposition of certain cotton held by the United States was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

The bill (S. 3627) for the relief of Francis Gerrity was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

#### ALLOCATION OF RADIO FACILITIES

The bill (S. 2243) relating to the allocation of radio facilities was announced as next in order.

Mr. ROBINSON. Mr. President, there should be an explanation of that bill. It relates to an important subject.

The Senator who reported the bill is not present at this moment; and I ask that it go over for the present.

The PRESIDENT pro tempore. Without objection, the bill will be passed over.

Mr. WHEELER subsequently said: Mr. President, I ask unanimous consent to return to Calendar No. 1652, Senate bill 2243, relating to the allocation of radio facilities.

The PRESIDING OFFICER (Mr. TRUMAN in the chair). Is there objection to the request of the Senator from Montana to return to Senate bill 2243?

Mr. McNARY. Mr. President, personally I have no objection. There are a number of absentees on this side of the Chamber, however.

Mr. WHEELER. Let me say to the Senator that I do not think there is any objection at all to the bill.

Mr. McNARY. There must have been objection, or it would have passed.

Mr. WHEELER. Some Senator objected to it and asked for a statement with reference to it.

Mr. McNARY. May I inquire of the Chair, if the clerk has the record before him, who asked that the bill go over?

The PRESIDING OFFICER. The Senator from Arkansas [Mr. ROBINSON] asked to have the bill go over.

Mr. WHEELER. I am sure the Senator from Arkansas would have no objection to the bill, because it is a bill which the Communications Commission itself asked to have enacted.

Mr. McKELLAR. My recollection is, if the Senator will yield, that the Senator from Arkansas asked for an explanation of the bill; and as the Senator from Montana was not here at the time, he then asked to have the bill go over.

Mr. WHEELER. That is correct.

The passage of this bill has been recommended by the Communications Commission. I introduced the bill. It came before the Committee on Interstate Commerce and was unanimously reported to the Senate by the committee.

Mr. McKELLAR. If I should be mistaken in my recollection and if the bill should pass, the Senator would not object to a reconsideration if the Senator from Arkansas should desire to have it?

Mr. WHEELER. Not at all. If any Senator desires reconsideration of the bill, I shall not object to it.

Mr. FLETCHER. What is the calendar number of the bill?

Mr. WHEELER. It is Calendar No. 1652.

Mr. KING. What is the purpose of the bill?

Mr. WHEELER. The purpose is to restore the provisions of the original act.

The original act contained practically the same provisions as the bill in question. Later there was an agitation to divide the country into various zones, and to provide that the Commission should allocate radio frequencies only to those particular zones. The engineers of the Commission and the Commission itself since that time have found many difficulties in allocating frequencies to particular zones; and they desire to have the matter left to their discretion, because the zone idea has tied them down on account of the contour of the country in some places, and so forth.

Mr. McKELLAR. Does the Communications Commission recommend the enactment of the bill?

Mr. WHEELER. Yes; the Commission has recommended it in language which I will read. I first read from the report of the committee:

The legislation is recommended for practical reasons of administration by the Communications Commission, which has found that the drawing of artificial zone lines for guides in allocating radio facilities cannot satisfactorily be applied because of the physical laws governing radio transmission. As a consequence, the policy of Congress, to so distribute radio facilities that every section of the country will be adequately supplied, has been very difficult of effectuating.

On May 23, 1935, the Chairman of the Communications Commission wrote the chairman of your committee as follows:

"With further reference to S. 2243, which was introduced by you March 13, 1935, I beg to advise that this Commission favors its adoption for the following reasons"—

A similar bill was recommended for passage at the last session of Congress, as I recall, by the Communications Commission—

"The existing law, which S. 2243 seeks to repeal, is contrary to natural laws and has resulted in the concentration of the use of frequencies in centers of population, and the restriction of facilities in sparsely populated States, even though interference consideration would permit the operation of one or more additional stations. Because of the size of the zones provided for by existing law, the distribution required by the Davis amendments has resulted in providing ample broadcast service in small zones and lack of service in large zones. The experience of the Federal Radio Commission and this Commission has proved that the Davis amendment is very difficult of administration and cannot result in an equality of radio broadcasting service.

"This Commission is, therefore, in hearty accord with and favors the passage of S. 2243."

Let me say to the Senate that when the Davis amendment was adopted, the former Senator from Washington, Mr. Dill, and myself and other Senators from the West were very anxious that the bill should become law. Subsequently, however, we found that the operation of the so-called Davis amendment has discriminated against the West, because of the fact that the zones in the West are so large and the zones in the East are small. Consequently, the big cities of the country, such as those in New York, have found that the law works all right; but in the case of the larger zones in the West and Middle West it has hampered us in securing

the facilities we ought to have to meet the demands of that section of the country.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill? There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Interstate Commerce with an amendment, on page 1, line 12, after the word "provide", to strike out "an" and insert "a fair, efficient, and", so as to make the bill read:

*Be it enacted, etc.,* That section 302 of the Communications Act of 1934 is hereby repealed.

Sec. 2. Subsection (b) of section 307 of such act is amended to read as follows:

"(b) In considering applications for licenses, and modifications and renewals thereof, when and insofar as there is demand for the same, the Commission shall make such distribution of licenses, frequencies, hours of operation, and of power among the several States and communities as to provide a fair, efficient, and equitable distribution of radio service to each of the same."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### BILLS PASSED OVER

The bill (H. R. 3340) for the relief of Jessie S. Post was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 3974) to amend the act entitled "An act to provide more effectively for the national defense by increasing the efficiency of the Air Corps of the Army of the United States, and for other purposes", approved July 2, 1926, was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

#### EDUCATION, MEDICAL ATTENTION, ETC., FOR INDIANS

The Senate proceeded to consider the bill (S. 3452) to amend an act entitled "An act authorizing the Secretary of the Interior to arrange with States or Territories for the education, medical attention, relief of distress, and social welfare of Indians, and for other purposes", which had been reported from the Committee on Indian Affairs with amendments.

Mr. ROBINSON. Mr. President, I think there should be an analysis of this bill by its author.

Mr. THOMAS of Oklahoma. Mr. President, the bill proposes an amendment to what is known as the Johnson-O'Malley law, passed in 1934. Under the provisions of that law, the Bureau of Indian Affairs, acting through the Secretary of the Interior, is authorized to contract with the States for furnishing certain services to Indians. This bill proposes to modify and extend the provisions of the Johnson-O'Malley Act by making it possible for the Secretary to contract with the States for providing for the medical attention, relief of distress, and social welfare of the Indians.

The bill does one additional thing. The original act provided that the Secretary must contract with some legally authorized institution in the State for these services. Some of the States have not passed an enabling act on the subject, so the bill provides that the Secretary may contract with the Governor, and in some States the Governor may make the contract in the exercise of his inherent powers as Governor.

Those are the two things the bill does.

Mr. ROBINSON. I do not object to the consideration of the bill, Mr. President.

The PRESIDENT pro tempore. The amendment reported by the committee will be stated.

The amendment was, on page 1, line 5, after the word "education", to insert "medical attention, relief of distress, and social welfare of Indians", so as to make the bill read:

*Be it enacted, etc.,* That the act of April 16, 1934 (48 Stat. 596), entitled "An act authorizing the Secretary of the Interior to arrange with States or Territories for the education, medical attention, relief of distress, and social welfare of Indians, and for other purposes", be, and the same hereby is, amended to read as follows:

"That the Secretary of the Interior be, and hereby is, authorized, in his discretion, to enter into a contract or contracts with any State or Territory, or political subdivision thereof, or with any State university, college, or school, or with any appropriate State or private corporation, agency, or institution, for the education, medical attention, agricultural assistance, and social welfare, including relief of distress, of Indians in such State or Territory, through the agencies of the State or Territory or of the corporations and organizations hereinbefore named, and to expend under such contract or contracts, moneys appropriated by Congress for the education, medical attention, agricultural assistance, and social welfare, including relief of distress, of Indians in such State or Territory.

"Sec. 2. That the Secretary of the Interior, in making any contract herein authorized, may permit such contracting party to utilize, for the purpose of this act, existing school buildings, hospitals, and other facilities, and all equipment therein or appertaining thereto, including livestock and other personal property owned by the Government, under such terms and conditions as may be agreed upon for their use and maintenance.

"Sec. 3. That the Secretary of the Interior is hereby authorized to perform any and all acts and to make such rules and regulations, including minimum standards of service, as may be necessary and proper for the purpose of carrying the provisions of this act into effect: *Provided*, That such minimum standards of service are not less than the highest maintained by the States or Territories within which said contract or contracts, as herein provided, are to be effective.

"Sec. 4. That the Secretary of the Interior shall report annually to the Congress any contract or contracts made under the provisions of this act, and the moneys expended thereunder."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### CLAIM OF HEIRS OF JAMES TAYLOR

The Senate proceeded to consider the bill [S. 3301] to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the heirs of James Taylor, deceased Cherokee Indian, for the value of certain lands now held by the United States, and for other purposes, which had been reported from the Committee on Indian Affairs with amendments, in section 4, page 4, line 7, after the word "suit", to insert "or suits", and in line 8, after the words "Court of Claims", to strike out "is authorized to allow attorney's fees not exceeding 10 percent on the amount of the judgment which may be rendered in favor of plaintiff, if any, and the same shall be made a part of the court's decree" and to insert "shall have jurisdiction to fix and determine a reasonable fee, not to exceed 10 percent of the recovery, together with all necessary and proper expenses incurred in the preparation and prosecution of said suit or suits, to be paid to the attorney or attorneys employed by said claimant heirs of James Taylor, and the same shall be included in the decree and paid out of any sum or sums found to be due said claimants", so as to make the bill read:

*Be it enacted, etc.*, That jurisdiction is hereby conferred upon the Court of Claims, both legal and equitable, notwithstanding any statutes of limitations, to hear, determine, and render final judgment upon the claim of the heirs of James Taylor, a deceased Cherokee Indian, named in his last will and testament dated the 7th day of October 1905 (codicil dated Jan. 7, 1907), as recorded in the office of the clerk of the Superior Court of Cherokee County, State of North Carolina, in Book of Wills, page 139 and the following, against the United States for the value of certain lands, including the value of all timber and other property taken therefrom and appropriated to the use and benefit of the United States since the 15th day of March 1869, and for the value of the use of such lands and other property by the United States since said date, March 15, 1869. The lands referred to are in the State of North Carolina and were the subject matter in Congressional Case No. 1344, James Taylor against the United States (H. Doc. No. 1344, 64th Cong., 1st sess.), described in a letter to the Secretary of the Interior dated May 5, 1933, signed by H. A. Wallace, Secretary of Agriculture (S. Rept. No. 875, 73d Cong., 2d sess., p. 6), and are now under administration by the United States as a part of the Nantahala National Forest.

Sec. 2. The Court of Claims shall consider the findings of fact reported to the House of Representatives, as found by said court in Congressional Case No. 1344, James Taylor against the United States (H. Doc. No. 187, 64th Cong., 1st sess.), as evidence in any suit filed and prosecuted hereunder; but additional evidence and testimony may be submitted by the claimant heirs or by the United States. Records, deeds, correspondence, or other papers recorded or on file in any department of the United States Government or of the State of North Carolina, or certified copies thereof, may be used as evidence; and the departments of Government shall give access to and permit inspection of any such records, deeds, correspondence, or other papers by the claimant heirs of James Taylor

or by their attorney in the preparation and prosecution of any suit filed under the authority of this act. It is the intention of this act that the said claim of the heirs of James Taylor against the United States shall be heard and finally determined on its merits and on the basis of justice and equity to both parties, and the Court of Claims is hereby authorized and directed to exercise unrestricted discretion to that end.

Sec. 3. Any suit filed hereunder shall make the heirs of James Taylor party plaintiff and the United States party defendant, and the petition shall be verified by one of the heirs named in the will mentioned in section 1 of this act, or by the attorney representing said heirs, or representing one of them for and on behalf of all of them, and no other verification shall be necessary. Petition hereunder shall be filed within 1 year from the date of approval of this act with right of amendment at any time before final judgment. The case shall be advanced on the court's docket for hearing; and the court shall have full authority by proper orders and process to bring in and make parties to such suit any or all periods or corporations deemed by it necessary or proper to the final determination of all questions and matters involved.

Sec. 4. Upon the final determination of any suit or suits filed hereunder the Court of Claims shall have jurisdiction to fix and determine a reasonable fee, not to exceed 10 percent of the recovery, together with all necessary and proper expenses incurred in the preparation and prosecution of said suit or suits, to be paid to the attorney or attorneys employed by said claimant heirs of James Taylor, and the same shall be included in the decree and paid out of any sum or sums found to be due said claimants.

Sec. 5. In the event judgment shall be rendered in favor of the heirs of James Taylor, and when the money shall have been appropriated to pay the same it shall be paid to the said heirs, less the attorney's fees, respectively or to their respective legal representative, or to the duly appointed and then acting administrator or executor of the estate of James Taylor, deceased, such payment to be made by the Secretary of the Treasury: *Provided, however*, That before making such payment the Secretary of the Treasury shall have delivered to him by the said heirs, or by a duly appointed and acting administrator or executor of the estate of James Taylor, deceased, a conveyance to the United States of all the right, title, claim, or interest of said heirs in and to the lands referred to in this act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### CLAIMS OF ASSINIBOINE INDIANS

The Senate proceeded to consider the bill (S. 3053) conferring jurisdiction on the Court of Claims to hear, examine, adjudicate, and enter judgment in any claims which the Assiniboin Indians may have against the United States, and for other purposes, which had been reported from the Committee on Indian Affairs with amendments.

The first amendment was, in section 1, page 1, line 5, after the word "notwithstanding", to insert "anything in the Judicial Code of the United States to the contrary, and without regard to", so as to make the section read:

*Be it enacted, etc.*, That jurisdiction be, and is hereby, conferred upon the Court of Claims, with the right of appeal to the Supreme Court of the United States by either party, notwithstanding anything in the Judicial Code of the United States to the contrary, and without regard to the lapse of time, former adjudication or statutes of limitation, to hear, determine, adjudicate, and render judgment in any and all claims arising under or growing out of the Treaty of Fort Laramie of September 17, 1851 (11 Stat. L. 749), between the Government of the United States and the Assiniboin Indian Nation and other Indian nations therein specified, or any subsequent act of Congress, treaty, agreement, or Executive order or treaty with any other Indian tribe, or any nation that violates any of the rights of the Assiniboin Indian Nation, arising under or growing out of the said treaty, which said Assiniboin Nation or Tribe may have against the United States; and jurisdiction is hereby conferred upon the said court to determine whether or not any provision in such treaty has been violated or breached by the Government of the United States, by acts of Congress or otherwise; and if so, to render judgment for the damages resulting therefrom.

The amendment was agreed to.

The next amendment was, in section 3, page 3, line 18, after the word "sums", to strike out "heretofore"; and in line 19, after the word "Indians", to insert "prior to March 2, 1927", so as to read:

Sec. 2. Any and all claims against the United States within the purview of this act shall be forever barred unless suit be instituted or petition filed as herein provided in the Court of Claims within 5 years from the date of the approval of this act, such suit shall make the Assiniboin Nation or Tribe party plaintiff and the United States party defendant. The petition shall be verified by the attorney or attorneys employed to prosecute such claim or claims under contract with the Assiniboines, approved by the Commissioner of Indian Affairs and the Secretary of the Interior.

Official papers, letters, documents, records, including records of evidence heretofore taken before the Court of Claims pertaining to the subject matter of the suits herein authorized or certified copies thereof, may be used in evidence, and the departments of the Government shall give access to the attorney or attorneys of such Indian Nation to such treaties, papers, correspondence, or records as may be needed by the attorney or attorneys of said Indian Nation.

Sec. 3. That if any claim or claims be submitted to said court it shall determine the rights of the parties thereto, notwithstanding lapse of time or statutes of limitation or former adjudication and any payment which may have been made by the United States upon any claim so submitted shall not be pleaded as an estoppel, but may be pleaded as a set-off in any suit, and the United States shall be allowed credit subsequent to the date of any Executive order, law, treaty, or agreement under which the claims arise for any sum or sums paid or expended for the benefit of said Indians prior to March 2, 1927, including gratuities: *Provided, however*, That there shall not be set off or credited any sum or sums of money paid by the United States to or for the benefit of the Assiniboiné Indian Nation for lands lying north of the Missouri River; nor any sum or sums of money received by the Assiniboiné Nation or members thereof for surplus lands in the Fort Peck or Fort Belknap Reservations; nor any lands, nor the value thereof allotted to the Assiniboiné Nation or members thereof in the Fort Peck or Fort Belknap Reservations, nor any land, nor the value thereof still held undisposed of in those reservations; nor shall there be set off or credited disbursements for agency building and repairs, miscellaneous agency expenses, pay of miscellaneous employees, pay of superintendents and agents, expenses of delegations, or pay of interpreters or Indian police.

The amendment was agreed to.

The next amendment was, in section 7, page 5, line 21, after the word "decree", to insert "and shall be thereafter subject to appropriation by Congress for the benefit of said Indians, including the purchase of land and building of homes, and no part of said judgment shall be paid out in per-capita payments to said Indians", so as to read:

Sec. 4. That if it be determined by the court that the United States, in violation of the terms and provisions of any Executive order, law, treaty, or agreement, set forth and referred to in section 1, has unlawfully appropriated or disposed of any money or other property belonging to the Indians, damages therefor shall be confined to the value of the money or other property at the time of such appropriation or disposal, with a minimum value of lands at \$1.25 per acre. With reference to all claims which may be the subject matter of the suits herein authorized, the decree of the court shall be in full settlement of all damages, if any, committed by the Government of the United States, and shall annul and cancel all claim, right, and title of the said Assiniboiné Indians in and to such money or other property.

Sec. 5. Upon final determination of such suit or suits, the Court of Claims shall have jurisdiction to fix and determine a reasonable fee for services heretofore or hereafter rendered the Assiniboiné Nation not to exceed 10 percent of the recovery, together with all necessary and proper expenses heretofore or hereafter incurred in preparation and prosecution of the claims and suits, to be paid to the attorneys employed by said tribe or nation of Indians, who have heretofore prosecuted and shall hereafter prosecute said claims and suits and the same shall be included in the decree, and shall be paid out of any sum or sums found to be due said tribe.

Sec. 6. A copy of the petition shall, in such case, be served upon the Attorney General of the United States, and he, or some attorney from the Department of Justice to be designated by him, is hereby directed to appear and defend the interests of the United States in such case.

Sec. 7. The proceeds of all amounts, if any, recovered from said Indians shall be deposited in the Treasury of the United States to the credit of the Indians decreed by said court to be entitled thereto, and shall draw interest at the rate of 4 percent per annum from the date of the judgment or decree and shall be thereafter subject to appropriation by Congress for the benefit of said Indians, including the purchase of land and building of homes, and no part of said judgment shall be paid out in per-capita payments to said Indians. The costs incurred in any suit hereunder shall be taxed against the losing party; if against the United States such costs shall be included in the amount of the judgment or decree, and if against said Indians shall be paid by the Secretary of the Treasury out of the funds standing to their credit in the Treasury of the United States: *Provided*, That actual costs necessary to be incurred by the Assiniboiné Indians as required by the rules of court in the prosecution of this suit shall be paid out of the funds of the Assiniboiné Tribe in the Treasury of the United States.

Sec. 8. All laws and parts of law inconsistent with the provisions of this act are hereby repealed.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### FURNISHING OF INFORMATION BY SECRETARY OF AGRICULTURE

Mr. ROBINSON. Mr. President, I am compelled at this time to leave the Chamber for a few minutes.

There is on the calendar Senate Resolution 265, Calendar No. 1824, a resolution introduced by the Senator from Michigan [Mr. VANDENBERG] which probably will be reached during my absence from the Chamber.

It is desired by a number of Senators that opportunity be afforded to discuss the resolution. I therefore ask that it be passed over for the present, and that on Monday next at 2 o'clock p. m. the Senate proceed to the consideration of the resolution.

Mr. McNARY. Mr. President, is it the purpose of the Senator to propose a unanimous-consent agreement to that effect at this time?

Mr. ROBINSON. Yes; I am asking such an agreement, because I shall probably be absent from the Chamber when the resolution is reached.

Mr. McNARY. At what hour and what date does the Senator desire to have the resolution considered?

Mr. ROBINSON. Next Monday. I suggested the hour of 2 o'clock p. m. I understand that that is satisfactory to the author of the resolution.

The PRESIDENT pro tempore. Without objection, it is so ordered.

#### BILLS, ETC., PASSED OVER

The bill (S. 2041) for the relief of Charles E. Wilson was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

#### ASSISTANT JUDGE ADVOCATE GENERAL OF THE ARMY

The bill (S. 3659) to promote the efficiency of the Judge Advocate General's Department of the Army was announced as next in order.

Mr. KING. Mr. President, I find that there is an adverse report with regard to this bill. Unless there is some explanation of the bill, I ask that it go over.

Mr. LOGAN. Mr. President, I made an explanation of this bill when it was reached on the calendar heretofore. It provides for the establishment of the office of Assistant Judge Advocate General in the Army, with the rank of brigadier general. It does not increase the cost to the Government further than about \$20 a month.

The Judge Advocate General's Office think it very important that they have an officer to act in the absence of the Judge Advocate General, to be selected and appointed as provided by law for assistant chiefs of branches, because of the fact that under the present procedure the ranking officer usually acts when the Judge Advocate General is away, and he may or may not be very competent for this particular task. That is the only purpose of the bill.

Mr. KING. Mr. President, the letter of the Secretary of War concludes with this sentence:

This proposed legislation was submitted to the Bureau of the Budget, which reports that it is not in accord with the financial program of the President.

A paragraph before the one I have read from the letter of the Secretary of War says:

In drafting the act of June 4, 1920, careful consideration was given to the number of assistant chiefs required by the various branches. The organization then established has proven most effective and, in the main, adequate.

The next paragraph reads as follows:

Moreover, the War Department feels that the Congress in its last session, by enacting a bill providing accelerated promotion for the commissioned personnel of practically the entire Army, has done all it can reasonably be expected to do in regard to promotion for officers, and that no effort should be made toward the enactment of legislation providing increased promotion among the commissioned personnel, particularly of the higher ranks, in the absence of a pressing need therefor.

Obviously, if the bill should pass, the President would veto it.

Mr. LOGAN. I do not know whether or not the President would veto the bill. I do not know, however, that the Military Affairs Committee had that report before it when it considered all the facts; and the Military Affairs Committee thought, from talking with those who are members of the Judge Advocate General's Office and others, that the enactment of the bill is necessary. Of course, the Secretary of War recommended against the passage of the bill upon the ground that if it should be passed, perhaps other assistants would be called for; but the bill does not materially increase the cost to the Government, and I can see no particular reason why the Secretary of War should object to it.

The PRESIDENT pro tempore. Objection having been made, the bill will be passed over.

FRANZ J. FEINLER

The Senate proceeded to consider the bill (S. 2158) for the relief of Franz J. Feinler, which had been reported from the Committee on Military Affairs with an amendment to strike out all after the enacting clause and to insert:

That the President of the United States is authorized to cause a War Department board of officers to review the case of Franz J. Feinler, including such additional evidence as may be submitted, to find whether the said Franz J. Feinler shall hereafter be held and considered to have been honorably discharged from the military service of the United States on April 20, 1918, and, if as a result of such review, it is found that it should be so held and considered and upon approval of such findings by the President, Franz J. Feinler shall be held and considered to have been honorably discharged on April 20, 1918: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### BILLS PASSED OVER

The bill (S. 3726) to provide suitable rank for the Deputy Chief of Staff, United States Army, was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 8588) to authorize the deposit and investment of Indian funds was announced as next in order.

Mr. THOMAS of Oklahoma. Mr. President, in order that an amendment may be offered to this bill—and I am not now prepared to offer the amendment—I ask that the bill be passed over temporarily.

The PRESIDENT pro tempore. Without objection, that order will be made.

ELIZABETH HALSTEAD

The bill (H. R. 4638) for the relief of Elizabeth Halstead was considered, ordered to a third reading, read the third time, and passed.

CATHARINE I. KLEIN

The bill (S. 4019) for the relief of Catharine I. Klein was considered, ordered to a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$5,000 to Catharine I. Klein, the widow of Nelson B. Klein, a special agent of the Federal Bureau of Investigation of the Department of Justice, who was killed in the line of his official duty at College Corner, Ohio, August 16, 1935: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

RODMAN CHEMICAL CO.

The joint resolution (H. J. Res. 223) conferring upon the Court of Claims jurisdiction of the claim of the Rodman

Chemical Co. against the United States was considered, ordered to a third reading, read the third time, and passed.

PETRA M. BENAVIDES

The bill (H. R. 1363) for the relief of Petra M. Benavides was considered, ordered to a third reading, read the third time, and passed.

#### BILL INDEFINITELY POSTPONED

The bill (S. 4025) to authorize a preliminary examination of the Republican River, with a view to the control of its floods, was announced as next in order.

Mr. NORRIS. Mr. President, a House bill to the same effect as this Senate bill having been passed by the Senate and House and signed by the President, I ask that this bill be indefinitely postponed.

The PRESIDENT pro tempore. Without objection, it is so ordered.

#### VESSEL FOR RESEARCH WORK IN PACIFIC OCEAN FISHERIES

The bill (S. 3989) to provide for the construction and operation of a vessel for use in research work with respect to Pacific Ocean fisheries was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That when funds are made available as authorized by section 2 of this act, the Secretary of Commerce is authorized and directed (1) to cause plans and specifications to be prepared for the construction and equipment of a vessel for use in such research work with respect to Pacific Ocean fisheries as the Secretary finds will be useful to persons engaged in the fishing industry; and (2) to contract for the construction and equipment of such vessel. Such vessel shall be maintained and operated under the supervision of the Secretary of Commerce.

Sec. 2. There is authorized to be appropriated \$500,000, or so much thereof as may be necessary, to carry out the purposes of the first sentence of section 1 of this act.

#### COLUMBIA NATIONAL FOREST, WASH.

The bill (S. 2694) to add certain lands to the Columbia National Forest, in the State of Washington, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That, subject to any valid existing claim or entry, all lands of the United States within the areas hereinafter described be, and the same are hereby, added to and made parts of the Columbia National Forest, in the State of Washington, to be hereafter administered under the laws and regulations relating to the national forests; and the provisions of the act approved March 20, 1922 (U. S. C., title 16, secs. 486, 487), as amended, are hereby extended and made applicable to all other lands within the said described area:

Sections 1 to 3, inclusive, and 11 and 12, township 2 north, range 4 east; sections 1 to 3, inclusive, 6 to 8, inclusive, and 10 to 36, inclusive, township 3 north, range 4 east; sections 1 to 28, inclusive, 34 to 36, inclusive, township 4 north, range 4 east; all of township 5 north, range 4 east; sections 1, 2, 11 to 15, inclusive, 22 to 27, inclusive, and 33 to 36, inclusive, township 6 north, range 5 east; sections 4 to 9, inclusive, 16 to 21, inclusive, 28 to 33, inclusive, township 6 north, range 5 east, all in the State of Washington, Willamette meridian.

#### BILLS AND RESOLUTION PASSED OVER

The bill (S. 3580) granting and confirming to the East Bay Municipal Utility District, a municipal utility district of the State of California and a body corporate and politic of said State and a political subdivision thereof, certain lands, and for other purposes, was announced as next in order.

Mr. JOHNSON. I ask that that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The resolution (S. Res. 239) to investigate the circumstances attending the removal of Maj. Gen. Johnson Hagood from command of the Eighth Army Corps Area was announced as next in order.

Mr. KING. Mr. President, in view of the recent developments in the Hagood case, I inquire of the Senator who introduced the resolution whether he desires its consideration?

Mr. McNARY. Mr. President, the Senator from Rhode Island [Mr. METCALF], who introduced the resolution, is unavoidably absent. Under the circumstances I suggest that it go over for the day.

The PRESIDENT pro tempore. The resolution will be passed over.

The bill (S. 70) for the relief of agriculture, the producers of livestock, and the producers of raw materials generally, and for other purposes, was announced as next in order.

Mr. VANDENBERG. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

J. HAROLD ARNOLD

The joint resolution (H. J. Res. 179) authorizing the President to present in the name of Congress a Navy Cross to J. Harold Arnold was announced as next in order.

Mr. LOGAN. Let that go over.

Mr. VANDENBERG. Mr. President, may I call attention to the fact that the Navy Department's opposition to this measure was to the granting of a medal of honor? The joint resolution was changed in the House of Representatives so as to provide for granting a Navy Cross, which it seems to be generally agreed the man richly deserves. The Navy Department's second objection was that it would add \$2 a month to the service compensation. The sum total of the compensation is \$32.

Mr. LOGAN. Mr. President, I should like to confer with the Senator about the joint resolution and explain the situation as I understand it. Perhaps I will have no objection, but I should like to confer with the Senator about it.

The PRESIDENT pro tempore. Under objection, the joint resolution will be passed over.

#### PENSIONS

The bill (H. R. 9074) granting pensions to certain soldiers and sailors of the Regular Army and Navy, etc., and certain soldiers and sailors of wars other than the Civil War, and to widows and dependents of such soldiers and sailors, was announced as next in order.

Mr. KING. Mr. President, it would take some time to consider this bill, and it could not be explained and presented under the 5-minute rule. Let it go over temporarily.

The PRESIDENT pro tempore. The bill will be passed over.

#### RETIREMENT OF CIVIL AND LEGISLATIVE EMPLOYEES

The bill (H. R. 3044) to amend the act of May 29, 1930 (46 Stat. 349), for the retirement of employees in the classified civil service and in certain positions in the legislative branch of the Government to include all other employees in the legislative branch was announced as next in order.

Mr. VANDENBERG. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. NEELY subsequently said: Mr. President, during my temporary absence from the Chamber, consideration of Order of Business 1749, which is House bill 3044, was postponed. I ask unanimous consent to return to that bill in order that I may have read from the clerk's desk a relevant letter which I have received from Mr. Claude Babcock, president of the American Federation of Government Employees.

The PRESIDING OFFICER. Is there objection?

Mr. McNARY. Mr. President, again I may state that I have no personal objection, but the Senator who objected to the bill may not be present in the Senate at this time, and unless the record clearly indicates the name, I do not think it would be fair to recur to the bill.

Mr. NEELY. Let me inform the Senator from Oregon that the record does not show who objected to the bill. Does the Senator object to a return to it in order that the letter to which I have referred may be read?

Mr. McNARY. I do not object to that being done, but I think it should be the practice that when objection is made to a bill and then later a Senator comes in and asks to recur to the bill, unless the Senator who objected is present, I do not think any action should be taken. In this case the Senator from West Virginia is unable to ascertain from the clerk the name of the Senator who objected. Therefore, I think the record should be completed and the bill ordered to go over for the day.

Mr. NEELY. Mr. President, let me assure the Senator that it is not my intention to take advantage of the Senator who objected, or of any other Senator present, but I should like to have put into the Record Mr. Babcock's letter; and, in order to do that, I ask unanimous consent to return temporarily to the bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia to return to the bill named by him? The Chair hears none.

Mr. NEELY. I ask that the clerk read the letter, which I now send to the desk.

The PRESIDING OFFICER. The clerk will read the letter.

The legislative clerk read as follows:

AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES,  
Washington, D. C., April 23, 1936.

The Honorable MATTHEW NEELY,  
United States Senate, Washington, D. C.

MY DEAR SENATOR NEELY: There have come to my attention rumors to the effect that certain civilian employees of the executive branch of the United States Government have been quoted as being opposed to the passage of H. R. 3044, which was passed in the House and amended in the Senate by the substitution of your bill, S. 3205.

I have examined the bill with the substitution with considerable care and feel that I am authorized to say for all civilian employees that they should not have any objection to the passage of the measure as it left the Senate committee.

The employees of the executive branch have expressed themselves as desirous of favoring a solution of the troublesome problem of retirement for the legislative employees of the Government. They do not presume to express to the Congress that it should take any particular action with respect to such retirement privilege. In other words, we feel that the retirement of civilian employees of the legislative department of the Government should and may well be handled by the legislative authority without the criticism of employees of the executive branch.

My examination of your bill shows further that it did not confer upon the legislative employees any extraordinary or even substantial benefits not enjoyed by the executive branch employees.

May I not for a second review the substance of the civil-service retirement law? It provides two things: First, a deferred-payment plan to be financed and paid for by the Government which is not greatly different from the plan contained in your bill for legislative employees.

Secondly, it provides for an additional amount of annuity to be obtained from contributions from the salaries of executive branch employees.

There are serious reasons why it might not be advisable for the Congress to provide for the contributory part of the retirement act for legislative employees. Among these are the general short tenure of most of the employees and the extremely complicated bookkeeping costs which would result. Also the elimination of the contributory part of the Civil Service Act is not of material interest to the civil-service employee since it simply permits the civil-service employee to obtain a larger annuity for which he pays and since the payment or nonpayment by a legislative employee would not effect the civil-service employee I think it can be said that reasonably the civil-service employee can have no objection to the omission from the retirement law as effecting the legislative branch of the contributory portion.

Now, to return for a moment or two to the deferred-pay feature—your bill provides for deferred payment of these employees, in certain instances, of an amount usually \$30 a month. The Civil Service Retirement Act provides for the same payment of the same amount in the usual case.

It is true that there is a slightly increased payment for the last five years of 30 years' service and there is restriction to \$1,200 but that is compensated for in the Civil Service Retirement Act by Government contribution of the amount of the deficiency between \$900 and \$1,200 if contributions have not been sufficient to buy a \$300 annuity.

In summary may I say that far from being a Treasury raid I am surprised at the modest requirements of your bill. I predict with all sincerity that there will not be built up under the bill any onerous charges on the Government and I dare assume that the payment per capita per employee-days or years will be less to the United States Government under your bill than under the civil-service retirement bill.

My purpose in forwarding this letter to you is to let you know that although rumors may be afloat concerning the fact that some special privilege is apparently to be given to legislative employees, in fact this is not true and the legislative retirement bill proposed by you will be less expensive per capita and certainly cannot be objected to by executive branch employees.

I assure you that this organization will be of what assistance it may in favoring the protection of legislative employees on the pure basis of equity to them and interest in them as other workers for Uncle Sam.

Respectfully,

CLAUDE BABCOCK, President.

Mr. NEELY. Mr. President, in view of the fact that objections to the consideration of the bill have been made on both sides of the Chamber I shall not insist upon its being taken up today, but I now give notice that at the earliest appropriate time I shall move that it be passed by the Senate.

The PRESIDING OFFICER. On objection, the bill will be passed over.

#### FACILITIES FOR RECREATIONAL-AREA PURPOSES

The bill (H. R. 10104) to aid in providing the people of the United States with adequate facilities for park, parkway, and recreational-area purposes, and to provide for the transfer of certain lands chiefly valuable for such purposes to States and political subdivisions thereof was announced as next in order.

Mr. ADAMS. Let that go over.

Mr. WAGNER. Mr. President, I hope the Senator will withhold his objection to the bill. It has been amended in such a way as that all of the objections raised when the bill was previously considered have been removed. It now limits the authorization to merely a study of parks, parkways, and recreational-area programs, and authorizes no transfer of property. This is a study which ought to be made, and I make an appeal to the Senator to withdraw his objection so that the bill may be passed today.

Mr. McKELLAR. Mr. President, may I ask the Senator what the survey would cost?

Mr. WAGNER. No appropriation at all is sought. The bill is limited to a study by the Department of the Interior of the park, parkway, and recreational-area programs. All the objections the Senator made when the bill was considered heretofore have been removed. Can I reach the heart of the Senator from Colorado at all in this matter?

Mr. ADAMS. I think the bill ought to go over, Mr. President.

Mr. WAGNER. Very well. At the first opportunity I shall move that the bill be taken up for consideration by the Senate.

The PRESIDENT pro tempore. Objection being heard, the bill will be passed over.

#### BILL PASSED OVER

The bill (H. R. 4886) providing for the employment of skilled shorthand reporters in the executive branch of the Government was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

#### WASHINGTON GAS LIGHT CO.

The Senate proceeded to consider the bill (S. 3977) to authorize the Washington Gas Light Co. to alter its corporate structure, and for other purposes, which had been reported from the Committee on the District of Columbia with amendments, on page 1, line 5, after the word "Company", to insert the word "may"; in line 6, after the word "purposes", to strike out the words "may, by vote of its directors" and to insert in lieu thereof the words "by a vote of two-thirds in number of the outstanding shares of stock of the company"; on page 2, line 23, to strike out the word "the" and insert in lieu thereof the word "The"; on page 3, line 1, to strike out "the" and insert in lieu thereof "The"; on line 4, to strike out "the" and insert in lieu thereof "The"; on line 6, to strike out "the" and insert in lieu thereof "The"; on line 8, to strike out "the" and insert in lieu thereof "The"; on line 16, to strike out "the" and insert in lieu thereof "The"; on line 17, strike out "the" and insert in lieu thereof "The"; on line 20, strike out "the" and insert in lieu thereof "The"; on page 4, line 4, after the words "District of Columbia", to insert the following proviso: "Provided, That said work and its incidents, including the replacement of pavement or roadway cut, shall be without cost or expense to the District of Columbia or to the United States: *Provided further*, That except as specifically provided in this act nothing contained herein shall be taken or construed as

altering, repealing, or changing any provision of existing charter or franchise or rights of the Washington Gas Light Co. or of any statute, law, ordinance, or regulation pertaining thereto", so as to make the bill read:

*Be it enacted, etc.*, That, provided the same shall be found by the Public Utilities Commission of the District of Columbia to be in the public interest, the Washington Gas Light Co. may, for lawful corporate purposes, by a vote of two-thirds in number of the outstanding shares of stock of the company, increase its capitalization and from time to time issue such additional stock, in such amounts, for such considerations, of such classes, either with or without par value, and with such rights, privileges, and conditions, as said Commission may approve.

All shares of capital stock of said company hereafter issued for which the agreed consideration shall have been paid to the company, and all shares of capital stock of the company heretofore issued, as well as shares into which such shares heretofore issued may be changed, shall be deemed and taken to be fully paid and nonassessable, and there shall be no liability to the company or to creditors of the company on the part of any subscriber to, or holder of, such shares.

Said company may, upon obtaining approval of said Commission, change all of the shares of its capital stock at any time outstanding into the same or a different number of shares issued pursuant to the provisions of this act, by following the same procedure and complying with the same requirements as are now prescribed in section 639a of the Code of Law for the District of Columbia, as amended (41 Stat. 1195), in respect of a change of name by a corporation.

Sec. 2. Provided the same shall be found by said Commission to be in the public interest, said company is further authorized to consolidate or merge with The Georgetown Gaslight Co., upon such conditions as may be approved by said Commission; and upon such consolidation or merger The Georgetown Gaslight Co. shall, without further proceedings, become dissolved and merged into the Washington Gas Light Co., and all property, rights, privileges, and franchises of The Georgetown Gaslight Co. shall, subject to encumbrances or liens thereon to secure the bonds or other securities issued by The Georgetown Gaslight Co., and to the payment of any valid claims against, or indebtedness of, The Georgetown Gaslight Co. existing at the time of such merger, pass to and be vested in the Washington Gas Light Co. as its property, with all the powers, rights, privileges, and franchises now possessed by either or both of said companies, including the right in the Washington Gas Light Co. to institute and prosecute in its own name any action in connection therewith: *Provided*, That pending actions against The Georgetown Gaslight Co. may continue against The Georgetown Gaslight Co. until the merger of said companies, and thereafter against the Washington Gas Light Co. Actions or claims against The Georgetown Gaslight Co. filed after the said merger shall be brought against the Washington Gas Light Co.

The Washington Gas Light Co., after such merger, shall have the full power and authority to manufacture, transmit, distribute, and sell gas in all parts of the District of Columbia and adjoining territory, for any purposes for which gas is now or may hereafter be used; and to lay, repair, and replace gas mains and pipes in any of the streets, avenues, and alleys of the District of Columbia: *Provided*, That said work and its incidents, including the replacement of pavement or roadway cut, shall be without cost or expense to the District of Columbia or to the United States: *Provided further*, That except as specifically provided in this act nothing contained herein shall be taken or construed as altering, repealing, or changing any provision of existing charter or franchise or rights of the Washington Gas Light Co. or of any statute, law, ordinance, or regulation pertaining thereto.

Sec. 3. All charters, statutes, acts and parts of acts, laws, ordinances, and regulations inconsistent with or repugnant to the provisions of this act, but only so far as inconsistent herewith or repugnant hereto, are hereby repealed.

Sec. 4. The right to alter, amend, or repeal this act is hereby expressly reserved to the Congress.

The amendments were agreed to.

Mr. JOHNSON. Mr. President, will the Senator from Utah state the purpose of this particular measure?

Mr. KING. Mr. President, I will state in brief, the important provisions of the bill. The Washington Gas Light Co. has a rather small capital structure, and has a rather large funded indebtedness, the bonds being held largely by the banks and local people. It needs additional money to meet its recurring obligations, and with such a small capital it finds greater difficulty in negotiating loans to meet its necessary obligations.

The PRESIDENT pro tempore. The question is the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

## BILLS PASSED OVER

The bill (S. 3486) to repeal the act entitled "An act relating to Philippine currency reserves on deposit in the United States" was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 3744) to amend the act creating the Federal Trade Commission, to define its powers and duties, and for other purposes, was announced as next in order.

Mr. McNARY. Mr. President, there should be some explanation of this bill.

Mr. KING. Let it go over.

The PRESIDENT pro tempore. The bill will be passed over.

## OPERATION OF FOREIGN AND AMERICAN SHIPS IN THE FOREIGN TRADE

The Senate resumed the consideration of the resolution (S. Res. 260) submitted by Mr. ROBINSON (for Mr. TYDINGS) on March 19, 1936, and considered and amended on March 27, requesting certain information concerning the operation of foreign ships and of American ships engaged in foreign trade.

The PRESIDENT pro tempore. The question is on agreeing to the resolution as amended.

The resolution, as amended, was agreed to, as follows:

*Resolved*, That the Secretary of Commerce is requested to furnish to the Senate, as soon as practicable, the following information: (1) A list of all the acts of Congress governing the operation of American ships in foreign trade; (2) a brief summary of the handicaps which confront American-flag ships when competing with ships of a foreign flag; (3) show how these handicaps result in higher operating costs to the American shipowner; (4) whether it is the general practice of American shipowners to purchase fuel and supplies in this country or abroad, and the approximate annual amount of such purchases for all foreign-trade ships of the American Merchant Marine; (5) whether it is the general practice of foreign shipowners to purchase fuel and supplies in this country or abroad, and the approximate annual amount of such purchases for all foreign-flag ships trading with the United States and its possessions; (6) the estimated percentage of the relative operating costs of ships flying the flags of Great Britain, Germany, France, Italy, and Japan, on the basis of 100 percent for ships flying the flag of the United States; (7) the percentage of American and trans-Atlantic cargo carried by American-flag ships and the percentage carried by foreign-flag ships during each year from 1918 to 1935, inclusive; (8) the percentage of American trans-Pacific cargo carried by American-flag ships and the percentage carried by foreign-flag ships during each year from 1918 to 1935, inclusive; (9) the profit or loss of each of the American lines operating American-flag tonnage for each of the years 1926 to 1935, inclusive; (10) the operating expenses of the same lines for the same years and their gross incomes for such years; (11) how many of such lines held mail contracts, either on a poundage or per-mile basis, and the aggregate amount of money paid to them under such contracts.

## ADMISSIBILITY OF WRITINGS IN EVIDENCE

The Senate proceeded to consider the bill (S. 4197) relating to the admissibility in evidence of certain writings and records made in the regular course of business, which had been reported from the Committee on the Judiciary with amendments, on page 1, line 3, after the word "That", to insert the words "in any court of the United States and any court established by act of Congress"; in line 7, after the word "admissible", to strike out the words "in evidence in proof" and insert in lieu thereof the words "as evidence"; and to add a new section at the end of the bill, so as to make the bill read:

*Be it enacted, etc.*, That in any court of the United States and any court established by act of Congress, any writing or record, whether in the form of an entry in a book or otherwise, made as a memorandum or record of any act, transaction, occurrence, or event shall be admissible as evidence of said act, transaction, occurrence, or event, if it shall appear that it was made in the regular course of any business, and that it was the regular course of such business to make such memorandum or record at the time of such act, transaction, occurrence, or event or within a reasonable time thereafter. All other circumstances of the making of such writing or record, including lack of personal knowledge by the entrant or maker, may be shown to affect its weight, but they shall not affect its admissibility. The term "business"

shall include business, profession, occupation, and calling of every kind.

SEC. 2. This act shall be prospective only, and not retroactive.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

## BILL PASSED OVER

The bill (H. R. 11098) to provide for terms of the United States District Court for the Middle District of Pennsylvania to be held at Wilkes-Barre, Pa., was announced as next in order.

Mr. ASHURST. This bill should not be considered at this time.

The PRESIDENT pro tempore. The bill is a special order for Wednesday, April 29, and will be passed over.

## CONSTRUCTION OF A MODEL BASIN ESTABLISHMENT

The Senate proceeded to consider the bill (H. R. 10135) to authorize the construction of a model basin establishment, and for other purposes, which was read, as follows:

*Be it enacted, etc.*, That the Secretary of the Navy is hereby authorized to acquire a site at a cost not to exceed \$100,000 in the vicinity of Washington, D. C., and to construct thereon a model basin establishment, with buildings and appliances, in which the Bureau of Construction and Repair of the Navy Department shall conduct the work of investigating and determining the most suitable and desirable shapes and forms to be adopted for United States vessels, including aircraft, and the investigation of other problems of ship design, at a cost not to exceed \$3,500,000: *Provided*, That upon the authorization of the Secretary of the Navy experiments may be made at this establishment for private parties, who shall defray the cost thereof under such regulations as the Secretary of the Navy may from time to time prescribe: *Provided further*, That the results of such private experiments shall be regarded as confidential and shall not be divulged without the consent of such private parties, except that the right is reserved to the Secretary of the Navy to use data so obtained for governmental purposes, subject to the patent laws of the United States.

Mr. McKELLAR. Mr. President, may we have an explanation of this bill?

Mr. WALSH. Mr. President, every country which maintains a navy and has a merchant marine has provided a model basin for testing the parts of ships before constructing a naval vessel or a merchant ship. Such basins are long basins, are filled with water, and in them miniature models of naval craft and of merchant ships are placed and tested. We have one such basin in this country, at the Navy Yard here at Washington. It is obsolete and useless.

The object of the bill is to provide a modern up-to-date model basin establishment where models of new ships, private as well as public, and aircraft may be tested for the purpose of securing the most efficient and economical design.

This establishment will be a highly technical laboratory wherein exact knowledge may be acquired for scientific use in the development of ship, high-speed boat, and seaplane construction.

There are such basins in England, Germany, France, Japan, and all other maritime countries. In the absence of a proper basin here the builder of a merchant ship must hire the use of a foreign basin for the purpose of making the necessary tests.

The Navy Department, the Shipping Board, the Coast Guard, and practically every other branch of the Government having to do with shipping recognize the importance of having a model basin suitable for the purposes of making proper tests in order that we may have the best equipment in the construction of merchant ships and naval craft.

When such basins are used by private individuals or companies that construct merchant ships, they must pay the Government for the use of the basins, so that it is expected that about 50 percent of the cost of maintenance will be paid by the uses private enterprise may make of the proposed basin. It is said that the basin at the Washington Navy Yard was paid for in a few years by reason of the advantages and benefits which came from the scientific experiments that were made there.

We are now building many naval craft and attempting to encourage private shipbuilders. Unless we have a basin of

this character and kind there can be no assurance that we will have the benefit of the latest and most scientific construction. The cost will be \$3,500,000. A location has already been selected on the shore of the Potomac River in the vicinity of Cabin John Bridge.

Mr. KING. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. KING. I desire to ask the Senator whether this basin would be used principally by the Government for war vessels, or by commercial organizations?

Mr. WALSH. Mostly by the Government. Let me add that it will be used—and it is a very important use—in the construction of naval aircraft. They must be tested in a basin of this kind. The small models first must be built in order to determine the power and strength and scientific value of the completed craft.

The bill is considered of the utmost importance by the Navy Department and by all of the departments of our Government interested in ship construction. It is only an authorization bill, and opportunity will be given later to consider the wisdom of appropriating the money. I hope the bill will be passed.

The PRESIDENT pro tempore. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

#### EXTENSION OF BENEFITS OF CERTAIN ACTS TO ALASKA

The Senate proceeded to consider the bill (S. 3784) to extend the benefits of the Adams Act, the Purnell Act, and the Capper-Ketcham Act to the Territory of Alaska, and for other purposes, which had been reported from the Committee on Agriculture and Forestry with amendments.

The PRESIDENT pro tempore. The clerk will state the committee amendments.

Mr. KING. Mr. President, before that is done, I should like to make an inquiry of the Senator from Washington [Mr. SCHWELLENBACH] with respect to the statement made by the Secretary of War, as follows:

You are advised, however, that legislation authorizing additional aid in approximately one-half of the amounts proposed in the bill would not be in conflict with the financial program of the President.

From that, I assume that objection would be made to the other half.

Mr. SCHWELLENBACH. Mr. President, the committee amendments are all made to conform to that suggestion. The Secretary said objection would be made if the amounts were more than one-half those proposed; so the committee amendments are made to cover that objection.

Mr. KING. So the amendments are made to conform to his views?

Mr. SCHWELLENBACH. Yes.

The PRESIDENT pro tempore. The clerk will state the committee amendments.

The amendments of the Committee on Agriculture and Forestry were, on page 2, line 12, after the name "Alaska", to insert "to the extent herein provided"; in line 16, before the word "for", to strike out "1936, \$10,000" and insert "1937, \$5,000"; in line 17, before the word "for", to strike out "1937, \$15,000" and insert "1938, \$7,500"; in line 18, before the word "for", to strike out "1938, \$20,000" and insert "1939, \$10,000"; in line 19, before the word "for", to strike out "1939, \$25,000" and insert "1940, \$12,500"; in line 20, after "June 30", to strike out "1940, \$30,000" and insert "1941, \$15,000"; in line 21, after "June 30", to strike out "1941, \$35,000" and insert "1942, \$17,500"; in line 22, after "June 30", to strike out "1942, \$40,000" and insert "1943, \$20,000"; in line 24, before the word "for", to strike out "1943, \$45,000" and insert "1944, \$22,500"; in line 25, before the word "for", to strike out "1944, \$55,000" and insert "1945, \$27,500"; on page 3, line 1, before the word "for", to strike out "1945, \$65,000" and insert "1946, \$32,500"; in line 2, after "June 30", to strike out "1946, \$75,000" and insert "1947, \$37,500"; in line 3, after the words "equal to", to insert "one-half of"; in line 5, before the

words "Purnell Act", to strike out "same" and insert "said"; in line 12, after the name "Alaska", to insert "to the extent herein provided"; in line 15, after "June 30", to strike out "1936, \$5,000" and insert "1937, \$2,500"; in line 16, after "June 30", to strike out "1937, \$10,000" and insert "1938, \$5,000"; in line 18, before the word "for", to strike out "1938, \$15,000" and insert "1939, \$7,500"; in line 19, before the word "and", to strike out "1939" and insert "1940"; and in the same line, after the word "thereafter", to strike out "\$20,000" and insert "\$10,000", so as to make the bill read:

*Be it enacted, etc.,* That the following acts, to wit, an act entitled "An act to provide for an increased annual appropriation for agriculture experiment stations and regulating the expenditure thereof", approved March 16, 1906, and known as the Adams Act; an act entitled "An act to authorize the more complete endowment of agricultural experiment stations, and for other purposes", approved February 24, 1925, and known as the Purnell Act; and an act entitled "An act to provide for the further development of agricultural extension work between the agricultural colleges in the several States receiving the benefit of the act entitled 'An act donating public lands to the several States and Territories which may provide colleges for the benefit of agriculture and the mechanic arts', approved July 2, 1862, and all acts supplementary thereto, and the United States Department of Agriculture", approved May 22, 1928, and known as the Capper-Ketcham Act, be, and the same are hereby, extended to the Territory of Alaska.

Sec. 2. To carry into effect the above provisions for extending to the Territory of Alaska to the extent herein provided, the benefits of the said Adams Act and the said Purnell Act the following sums are hereby authorized to be appropriated: For the fiscal year ending June 30, 1937, \$5,000; for the fiscal year ending June 30, 1938, \$7,500; for the fiscal year ending June 30, 1939, \$10,000; for the fiscal year ending June 30, 1940, \$12,500; for the fiscal year ending June 30, 1941, \$15,000; for the fiscal year ending June 30, 1942, \$17,500; for the fiscal year ending June 30, 1943, \$20,000; for the fiscal year ending June 30, 1944, \$22,500; for the fiscal year ending June 30, 1945, \$27,500; for the fiscal year ending June 30, 1946, \$32,500; for the fiscal year ending June 30, 1947, \$37,500; and thereafter a sum equal to one-half of that provided for each State and Territory under the said Adams Act and the said Purnell Act: *Provided*, That no appropriations shall be made under this act until annually estimated as to funds and amounts by the Secretary of Agriculture, the estimates to be based upon his determination of the ability of the Territory of Alaska to make effective use of the funds in maintaining agricultural experiment stations.

Sec. 3. To carry into effect the above provisions for extending to the Territory of Alaska, to the extent herein provided, the benefits of the said Capper-Ketcham Act the following sums are hereby authorized to be appropriated: For the fiscal year ending June 30, 1937, \$2,500; for the fiscal year ending June 30, 1938, \$5,000; for the fiscal year ending June 30, 1939, \$7,500; for the fiscal year ending June 30, 1940, and annually thereafter, \$10,000: *Provided*, That no appropriations shall be made under this act until annually estimated as to funds and amounts by the Secretary of Agriculture, the estimates to be based upon his determination of the ability of the Territory of Alaska to make effective use of the funds: *And provided further*, That, whereas the said Capper-Ketcham Act provides that "at least 80 percent of all appropriations under this act shall be utilized for the payment of salaries of extension agents in counties of the several States to further develop the cooperative extension system in agriculture and home economics with men, women, boys, and girls", the several established judicial divisions of the Territory of Alaska, as the same shall exist from time to time, shall be considered as counties for the purpose of complying with the provisions of this act until a subdivision of the Territory of Alaska into counties is effected.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### POSTHUMOUS CONGRESSIONAL MEDAL OF HONOR TO WILLIAM MITCHELL

The Senate proceeded to consider the joint resolution (S. J. Res. 219) authorizing the President of the United States to award a posthumous Congressional Medal of Honor to William Mitchell, which had been reported from the Committee on Military Affairs with amendments.

Mr. DUFFY. Mr. President, I will say for the information of the Senate that the amendments to the joint resolution as it was proposed by the Senator from Arkansas [Mr. ROBINSON] are to make it conform exactly with the bill which has already been reported favorably by the House Military Affairs Committee.

The PRESIDENT pro tempore. The clerk will state the committee amendments.

The amendments were, in line 6, after the word "largely", to insert "in the World War"; in line 8, after the word "power", to strike out "for the defense"; and in line 10, after the word "has", to insert "thereby", so as to make the joint resolution read:

*Resolved, etc., That the President of the United States is hereby authorized to award, posthumously, in the name of Congress, a Medal of Honor to William Mitchell, who died February 19, 1936, after having contributed so largely in the World War by his energy, his valor, and his vision to the development of aviation and of military air power of the United States; and be it further*

*Resolved, That the said William Mitchell has thereby deserved well at the hands of our Republic.*

The amendments were agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

#### REPEAL OF ACT FOR SALE OF PROPERTY IN NEWARK

The bill (H. R. 10985) to repeal Public Law No. 246 of the Seventy-second Congress was considered, ordered to a third reading, read the third time, and passed.

#### MEMORIAL DAY SERVICES AT ARLINGTON AND OTHER NATIONAL CEMETERIES

The bill (H. R. 10388) to aid the veteran organizations of the District of Columbia in their joint Memorial Day services at Arlington National Cemetery and other cemeteries on and preceding May 30 was considered, ordered to a third reading, read the third time, and passed.

#### CONTINUATION OF TRADING IN UNLISTED SECURITIES

The bill (S. 4023) to provide for the continuation of trading in unlisted securities upon national securities exchanges was announced as next in order.

Mr. McKELLAR. Mr. President, may we have an explanation of that bill?

Mr. FLETCHER. Senate bill 4023 is a proposed amendment to the Securities Exchange Act of 1934. Senators will recall that the Securities Act of 1933 and the Securities Exchange Act of 1934 were outgrowths of the Banking and Currency Committee's investigation into stock exchange and banking practices.

At the time the Securities Exchange Act of 1934 was being drafted, however, the committee had not definitely decided what should be done with the then existing unlisted trading on the exchanges; hence, it recommended to the Congress a continuation of unlisted trading which enjoyed that privilege at the time but forbade an extension of this privilege. At the same time it directed that the Securities Exchange Commission make a study of trading in unlisted securities upon exchanges and to report the results of its study and its recommendations to Congress on or before January 3, 1936. At the same time Congress provided, in the event no further amendments were made to the law, that unlisted trading should cease at midnight on May 31, 1936. That time, of course, is very rapidly approaching, and it is very important to pass this measure now.

The report and recommendations of the Commission were submitted on January 3, 1936.

This bill has been drawn by the committee after deliberate consideration has been given to the report of the Commission, and after having held extensive hearings on the original language contained in Senate bill 4023. As a result of our hearings and deliberations the committee has stricken out all of the original language of Senate bill 4023, and recommends the passage of the amendments which are now drawn in the nature of a substitute.

The bill reported by the committee is designed to solve the essential problems presented in the report of the Commission and by witnesses heard in open hearings.

Section 1 would amend subsection (f) of section 12 of the Securities Exchange Act of 1934 to permit certain categories of unlisted trading.

As a practical matter, if we do not enact this piece of legislation, thereby leaving the present dead line of May 31, 1936, to stand, approximately 2,000,000,000 shares of stock, comprising 1,370 issues, will be driven off the exchanges. Moreover, 564 issues of bonds, having a total face value of

approximately \$7,000,000,000, will likewise be expelled at midnight of May 31, 1936. That is not desirable.

The first category to which I wish to call attention has to do with a continuation of trading in those unlisted securities which enjoyed the privilege prior to March 1, 1934.

These securities, though deemed to be "registered" for various purposes under the act, are not registered in any true sense; that is, full and continuing information concerning them is not filed pursuant to law. In consequence they constitute an unfortunate anomaly.

Under subsection (f) of section 12 of the Exchange Act, as amended by this bill, it would be the duty of the Commission by order to terminate such privileges for any particular security upon a finding of fact that, because of inadequate public distribution of the security in the vicinity of the exchange or of inadequate public trading activity therein on the exchange, or because of the character of trading therein on the exchange, such termination was necessary or appropriate in the public interest or for the protection of investors.

It may be expected, moreover, that the number of securities traded on this basis will gradually diminish through retirement, redemption, liquidation, reorganization, or the transition of seasoned securities to a listed status.

Thus this should lead to a gradual and orderly adjustment of the peculiar problem created by this category of securities.

The second category of securities which could, under this bill, be admitted to unlisted trading privileges on a national securities exchange would comprise securities duly listed and registered on another national securities exchange.

The third category of securities which could, under this bill, be admitted to unlisted trading privileges on a national securities exchange would include any security in respect of which there is available from a registration statement and periodic reports or other data filed pursuant to rules or regulations of the Commission under the Securities Exchange Act of 1934 or the Securities Act of 1933, as amended, information substantially equivalent to that available pursuant to rules or regulations of the Commission in respect of a security listed and registered on a national securities exchange.

Among securities which might qualify within this third category would be securities of an issuer any other security of which is listed and registered on a national securities exchange, as well as new issues of securities which fall within the scope of subsection (d) of section 15 of the Securities Exchange Act of 1934, as amended by the bill as reported. Subsection (d) of section 15, just referred to, begins at the top of page 16.

Any exchange seeking to admit any security in the second or third category to unlisted trading would have to meet the burden of proving to the satisfaction of the Commission that there existed in the vicinity of the exchange sufficiently widespread public distribution of, and sufficient public trading activity in, that security to render the admittance thereof to unlisted trading on that exchange necessary or appropriate in the public interest or for the protection of investors. In a measure, this requirement would make necessary a judgment by the Commission as to a future course of development—that is, as to whether the conditions of adequate public distribution and adequate public trading activity found to exist at the time of application would continue to exist after the admittance of the security to trading on the applicant exchange. Again, save in very exceptional situations in which the public interest appeared to the Commission to demand the creation of an unlisted exchange market for such a security, no such security would be eligible for unlisted trading if the issuer, or its officers, directors, or principal stockholders, would by the admission thereof to such trading, acquire the benefits of an exchange market therefor without assuming the same obligations, especially in regard to proxies and trading by officers, directors, and principal stockholders, as would arise if the security were listed and registered. Finally even if the foregoing conditions were satisfied, the Commission

would be required to deny an application to admit such a security to unlisted trading unless it found that such admission would be in all other respects necessary or appropriate in the public interest or for the protection of investors. After such a security had been admitted to unlisted trading, the Commission would be under a duty to suspend or terminate such trading if it found, after proceedings instituted on the application of any person having a bona fide interest or on its own motion, that by reason of inadequate public distribution of the security in the vicinity of the exchange or inadequate public trading activity in the security on the exchange, or by reason of the character of trading in the security on the exchange, such termination was necessary or appropriate in the public interest or for the protection of investors.

It will readily be perceived that the second and third categories reflect the same basic approach. This approach may be described as an endeavor to create a fair field of competition among exchanges and between exchanges as a group and the over-the-counter markets and to allow each type of market to develop in accordance with its natural genius and consistently with the public interest.

Section 2 of the bill as reported would make unnecessary new applications by exchanges which have been permitted to continue unlisted trading privileges for securities of the first category under rules or regulations of the Commission adopted pursuant to subsection (f) of the Securities Exchange Act of 1934, prior to the amendment thereof by section 1 of such bill.

Mr. McKELLAR. Mr. President, did the Committee on Banking and Currency hold hearings on this bill?

Mr. FLETCHER. It held very extensive hearings on it.

Mr. McKELLAR. Were there any objections to the measure?

Mr. FLETCHER. I do not know of anyone presenting objections to it. The objections which had been raised were met by the amendments.

Mr. McKELLAR. I have no objection.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Banking and Currency with an amendment to strike out all after the enacting clause and to insert:

That subsection (f) of section 12 of the Securities Exchange Act of 1934 is amended to read as follows:

"(f) Notwithstanding the foregoing provisions of this section, any national securities exchange, upon application to and approval of such application by the Commission and subject to the terms and conditions hereinafter set forth, (1) may continue unlisted trading privileges to which a security had been admitted on such exchange prior to March 1, 1934; or (2) may extend unlisted trading privileges to any security duly listed and registered on any other national securities exchange, but such unlisted trading privileges shall continue in effect only so long as such security shall remain listed and registered on any other national securities exchange; or (3) may extend unlisted trading privileges to any security in respect of which there is available from a registration statement and periodic reports or other data filed pursuant to rules or regulations prescribed by the Commission under this title or the Securities Act of 1933, as amended, information substantially equivalent to that available pursuant to rules or regulations of the Commission in respect of a security duly listed and registered on a national securities exchange, but such unlisted trading privileges shall continue in effect only so long as such a registration statement remains effective and such periodic reports or other data continue to be so filed.

"No application pursuant to this subsection shall be approved unless the Commission finds that the continuation or extension of unlisted trading privileges pursuant to such application is necessary or appropriate in the public interest or for the protection of investors. No application to extend unlisted trading privileges to any security pursuant to clause (2) or (3) of this subsection shall be approved except after appropriate notice and opportunity for hearing. No application to extend unlisted trading privileges to any security pursuant to clause (2) or (3) of this subsection shall be approved unless the applicant exchange shall establish to the satisfaction of the Commission that there exists in the vicinity of such exchange sufficiently widespread public distribution of such security and sufficient public trading activity therein to render the extension of unlisted trading privileges on such exchange thereto necessary or appropriate in the public interest or for the protection of investors. No application to extend unlisted trading privileges to any security pursuant to clause (3) of this subsection shall be approved except upon such

terms and conditions as will subject the issuer thereof, the officers and directors of such issuer, and every beneficial owner of more than 10 percent of such security to duties substantially equivalent to the duties which would arise pursuant to this title if such security were duly listed and registered on a national securities exchange; except that such terms and conditions need not be imposed in any case or class of cases in which it shall appear to the Commission that the public interest and the protection of investors would nevertheless best be served by such extension of unlisted trading privileges. In the publication or making available for publication by any national securities exchange, or by any person directly or indirectly controlled by such exchange, of quotations or transactions in securities made or effected upon such exchange, such exchange or controlled person shall clearly differentiate between quotations or transactions in listed securities, and quotations or transactions in securities for which unlisted trading privileges on such exchange have been continued or extended pursuant to this subsection. In the publication or making available for publication of such quotations or transactions otherwise than by ticker, such exchange or controlled person shall group under separate headings (A) quotations or transactions in listed securities, and (B) quotations or transactions in securities for which unlisted trading privileges on such exchange have been continued or extended pursuant to this subsection.

"The Commission shall by rules and regulations suspend unlisted trading privileges in whole or in part for any or all classes of securities for a period not exceeding 12 months, if it deems such suspension necessary or appropriate in the public interest or for the protection of investors or to prevent evasion of the purposes of this title.

"Unlisted trading privileges continued for any security pursuant to clause (1) of this subsection shall be terminated by order, after appropriate notice and opportunity for hearing, if it appears at any time that such security has heretofore been withdrawn or if such security is hereafter withdrawn from listing on any exchange by the issuer thereof, unless it shall be established to the satisfaction of the Commission that such delisting was not designed to evade the purposes of this title or unless it shall appear to the Commission that, notwithstanding any such purpose of evasion, the continuation of such unlisted trading privileges is nevertheless necessary or appropriate in the public interest or for the protection of investors. On the application of the issuer of any security for which unlisted trading privileges on any exchange have been continued or extended pursuant to this subsection, or of any broker or dealer who makes or creates a market for such security, or of any other person having a bona-fide interest in the question of termination or suspension of such unlisted trading privileges, or on its own motion, the Commission shall by order terminate, or suspend for a period not exceeding 12 months, such unlisted trading privileges for such security if the Commission finds, after appropriate notice and opportunity for hearing, that by reason of inadequate public distribution of such security in the vicinity of said exchange, or by reason of inadequate public trading activity or of the character of trading therein on said exchange, such termination or suspension is necessary or appropriate in the public interest or for the protection of investors.

"In any proceeding under this subsection in which appropriate notice and opportunity for hearing are required, notice of not less than 10 days to the applicant in such proceeding, to the issuer of the security involved, to the exchange which is seeking to continue or extend or has continued or extended unlisted trading privileges for such security, and to the exchange, if any, on which such security is listed and registered, shall be deemed adequate notice, and any broker or dealer who makes or creates a market for such security, and any other person having a bona-fide interest in such proceedings, shall upon application be entitled to be heard.

"Any security for which unlisted trading privileges are continued or extended pursuant to this subsection shall be deemed to be registered on a national securities exchange within the meaning of this title. The powers and duties of the Commission under subsection (b) of section 19 of this title shall be applicable to the rules of an exchange in respect of any such security. The Commission may, by such rules and regulations as it deems necessary or appropriate in the public interest or for the protection of investors, either unconditionally or upon specified terms and conditions, or for stated periods, exempt such securities from the operation of any provision of section 13, 14, or 16 of this title."

SEC. 2. Any application to continue unlisted trading privileges for any security heretofore filed by any exchange and approved by the Commission pursuant to clause (1) of subsection (f) of section 12 of the Securities Exchange Act of 1934 and rules and regulations thereunder shall be deemed to have been filed and approved pursuant to said subsection (f) as amended by section 1 of this act.

SEC. 3. Section 15 of the Securities Exchange Act of 1934 is amended to read as follows:

"SEC. 15. (a) No broker or dealer (other than one whose business is exclusively intrastate) shall make use of the mails or of any means or instrumentality of interstate commerce to effect any transaction in, or to induce the purchase or sale of, any security (other than an exempted security or commercial paper, bankers' acceptances, or commercial bills) otherwise than on a national securities exchange, unless such broker or dealer is registered in accordance with subsection (b) of this section.

"(b) A broker or dealer may be registered for the purposes of this section by filing with the Commission an application for

registration, which shall contain such information in such detail as to such broker or dealer and any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, such broker or dealer, as the Commission may by rules and regulations require as necessary or appropriate in the public interest or for the protection of investors. Except as hereinafter provided, such registration shall become effective 30 days after the receipt of such application by the Commission or within such shorter period of time as the Commission may determine.

"An application for registration of a broker or dealer to be formed or organized may be made by a broker or dealer to which the broker or dealer to be formed or organized is to be the successor. Such application shall contain such information in such detail as to the applicant and as to the successor and any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the applicant or the successor, as the Commission may by rules and regulations require as necessary or appropriate in the public interest or for the protection of investors. Except as hereinafter provided, such registration shall become effective 30 days after the receipt of such application by the Commission or within such shorter period of time as the Commission may determine. Such registration shall terminate on the forty-fifth day after the effective date thereof, unless prior thereto the successor shall, in accordance with such rules and regulations as the Commission may prescribe, adopt such application as its own.

"If any amendment to any application for registration pursuant to this subsection is filed prior to the effective date thereof, such amendment shall be deemed to have been filed simultaneously with and as part of such application; except that the Commission may, if it appears necessary or appropriate in the public interest or for the protection of investors, defer the effective date of any such registration as thus amended until the thirtieth day after the filing of such amendment.

"The Commission shall, after appropriate notice and opportunity for hearing, by order deny registration to or revoke the registration of any broker or dealer if it finds that such denial or revocation is in the public interest and that (1) such broker or dealer, or (2) any partner, officer, director, or branch manager of such broker or dealer (or any person occupying a similar status or performing similar functions), or any person directly or indirectly controlling or controlled by such broker or dealer, whether prior or subsequent to becoming such, (A) has willfully made or caused to be made in any application for registration pursuant to this subsection or in any document supplemental thereto or in any proceeding before the Commission with respect to registration pursuant to this subsection any statement which was at the time and in the light of the circumstances under which it was made false or misleading with respect to any material fact; or (B) has been convicted within 10 years preceding the filing of any such application or at any time thereafter of any felony or misdemeanor involving the purchase or sale of any security or arising out of the conduct of the business of a broker or dealer; or (C) is permanently or temporarily enjoined by order, judgment, or decree of any court of competent jurisdiction from engaging in or continuing any conduct or practice in connection with the purchase or sale of any security; or (D) has willfully violated any provision of the Securities Act of 1933, as amended, or of this title, or of any rule or regulation thereunder. Pending final determination whether any such registration shall be denied, the Commission may by order postpone the effective date of such registration for a period not to exceed 15 days, but if, after appropriate notice and opportunity for hearing, it shall appear to the Commission to be necessary or appropriate in the public interest or for the protection of investors to postpone the effective date of such registration until final determination, the Commission shall so order. Pending final determination whether any such registration shall be revoked, the Commission shall by order suspend such registration if, after appropriate notice and opportunity for hearing, such suspension shall appear to the Commission to be necessary or appropriate in the public interest or for the protection of investors. Any registered broker or dealer may, upon such terms and conditions as the Commission may deem necessary in the public interest or for the protection of investors, withdraw from registration by filing a written notice of withdrawal with the Commission. If the Commission finds that any registered broker or dealer, or any broker or dealer for whom an application for registration is pending, is no longer in existence or has ceased to do business as a broker or dealer, the Commission shall by order cancel the registration or application of such broker or dealer.

"(c) No registered broker or dealer, or any other person, shall make use of the mails or of any means or instrumentality of interstate commerce to effect any transaction in or to induce the purchase or sale of any security (other than commercial paper, bankers' acceptances, or commercial bills) otherwise than on a national securities exchange, in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest to prevent fraud, concealment, unfair discrimination, or manipulative or deceptive practices or otherwise to insure to investors protection comparable to that provided by and under authority of this title in the case of national securities exchanges.

"(d) Each registration statement hereafter filed pursuant to the Securities Act of 1933, as amended, shall contain an undertaking by the issuer of the issue of securities to which the registration statement relates to file with the Commission, in accordance

with such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors, such supplementary and periodic information, documents, and reports as may be required pursuant to section 13 of this title in respect of a security listed and registered on a national securities exchange; but such undertaking shall become operative only if the aggregate offering price of such issue of securities, plus the aggregate value of all other securities of such issuer of the same class (as hereinafter defined) outstanding, computed upon the basis of such offering price, amounts to \$2,000,000 or more. The issuer shall file such supplementary and periodic information, documents, and reports pursuant to such undertaking, except that the duty to file shall be automatically suspended if and so long as (1) such issue of securities is listed and registered on a national securities exchange, or (2) by reason of the listing and registration of any other security of such issuer on a national securities exchange, such issuer is required to file pursuant to section 13 of this title information, documents, and reports substantially equivalent to such as would be required if such issue of securities were listed and registered on a national securities exchange, or (3) the aggregate value of all outstanding securities of the class to which such issue belongs is reduced to less than \$1,000,000, computed upon the basis of the offering price of the last issue of securities of said class offered to the public. For the purposes of this subsection, the term 'class' shall be construed to include all securities of an issuer which are of substantially similar character and the holders of which enjoy substantially similar rights and privileges. Nothing in this subsection shall apply to securities issued by a foreign government or political subdivision thereof or to any other security which the Commission may by rules and regulations exempt as not comprehended within the purposes of this subsection."

Sec. 4. Subsection (a) of section 17 of such act is amended by striking out "every broker or dealer making or creating a market for both the purchase and sale of securities through the use of the mails or of any means or instrumentality of interstate commerce", and inserting in lieu thereof "every broker or dealer registered pursuant to section 15 of this title."

Sec. 5. Subsection (a) of section 18 of such act is amended by inserting immediately before the comma following "any rule or regulation thereunder" the following: "or any undertaking contained in a registration statement as provided in subsection (d) of section 15 of this title."

Sec. 6. Subsection (c) of section 20 of such act is amended by inserting immediately before the period the following: "or any undertaking contained in a registration statement as provided in subsection (d) of section 15 of this title."

Sec. 7. Subsection (f) of section 21 of such act is amended by inserting immediately before the period the following: "or with any undertaking contained in a registration statement as provided in subsection (d) of section 15 of this title."

Sec. 8. Subsection (a) of section 23 of such act is amended to read as follows:

"(a) The Commission and the Board of Governors of the Federal Reserve System shall each have power to make such rules and regulations as may be necessary for the execution of the functions vested in them by this title, and may for such purpose classify issuers, securities, exchanges, and other persons or matters within their respective jurisdictions. No provision of this title imposing any liability shall apply to any act done or omitted in good faith in conformity with any rule or regulation of the Commission or the Board of Governors of the Federal Reserve System, notwithstanding that such rule or regulation may, after such act or omission, be amended or rescinded or be determined by judicial or other authority to be invalid for any reason."

Sec. 9. Section 32 of such act is amended by striking out "Sec. 32." and inserting in lieu thereof "Sec. 32. (a)"; by inserting immediately before the comma following the phrase "filed under this title or any rule or regulation thereunder" the following: "or any undertaking contained in a registration statement as provided in subsection (d) of section 15 of this title"; and by adding thereto a new subsection (b) to read as follows:

"(b) Any issuer which fails to file information, documents, or reports pursuant to an undertaking contained in a registration statement as provided in subsection (d) of section 15 of this title shall forfeit to the United States the sum of \$100 for each and every day such failure to file shall continue. Such forfeiture, which shall be in lieu of any criminal penalty for such failure to file which might be deemed to arise under subsection (a) of this section, shall be payable into the Treasury of the United States and shall be recoverable in a civil suit in the name of the United States."

Sec. 10. All brokers and dealers for whom registration is in effect on the date of enactment of this act in accordance with rules and regulations of the Commission prescribed pursuant to section 15 of the Securities Exchange Act of 1934 shall be deemed to be registered pursuant to section 15 of such act as amended by section 3 of this act.

Sec. 11. Nothing in this act shall be deemed to extinguish any liability which may have arisen prior to the effective date of this act by reason of any violation of section 15 of the Securities Exchange Act of 1934 or of any rule or regulation thereunder.

Sec. 12. This act shall become effective immediately upon the enactment thereof; except that clause (2) of subsection (f) of section 12 of the Securities Exchange Act of 1934, as amended by section 1 hereof, and subsections (a) and (d) of section 15 of such act, as amended by section 3 hereof, shall become effective

90 days after the enactment of this act, and that clause (3) of said subsection (f), as amended by section 1 hereof, shall become effective 6 months after the enactment of this act.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to provide for the continuation of trading in unlisted securities upon national securities exchanges, for the registration of over-the-counter brokers and dealers, for the filing of current information and periodic reports by issuers, and for other purposes."

#### BILL PASSED OVER

The bill (H. R. 7092) for the relief of Capt. Percy Wright Foote, United States Navy, was announced as next in order. Mr. McKELLAR. Let that bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

#### REUBEN M. WRIGHT

The Senate proceeded to consider the bill (S. 4207) for the relief of Reuben M. Wright, which had been reported from the Committee on Military Affairs with an amendment, on page 1, line 6, after "Company", to strike out "L" and insert in lieu thereof "A", so as to make the bill read:

*Be it enacted, etc.,* That in the administration of the pension laws or any laws conferring rights, privileges, or benefits upon persons honorably discharged from the United States Army, Reuben M. Wright, formerly a private, Company A, Eighteenth Regiment United States Infantry, shall be held and considered to have been honorably discharged on November 15, 1889: *Provided,* That no pension, bounty, back pay, or allowance shall be held to have accrued by reason of this act prior to its passage.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### ENTRY UNDER BOND OF ARTICLES FOR EXPOSITION PURPOSES

The Senate proceeded to consider the bill (S. 3843) to provide for the entry under bond of exhibits of arts, sciences, and industries, and products of the soil, mine, and sea, and all other exhibits for exposition purposes, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That as used in this Act:

(a) The term "exhibition" means any permanent exhibition or exhibitions, expositions, fairs, or any temporary exhibition or exhibitions, expositions, or fairs of the arts, sciences, and industries, or of the products of the soil, mine, and sea, or of any hobby, or other like pursuits.

(b) The "Port Authority" means the Port of New York Authority, a municipal corporate instrumentality organized pursuant to a compact entered into on April 30, 1921, between the States of New York and New Jersey, and consented to by the Congress of the United States (ch. 77, U. S. Stat. L., vol. 42, pt. I, p. 174), and designated as the municipal corporate instrumentality of the said States for the purpose of effectuating said compact.

SEC. 2. All articles which shall be imported from foreign countries for the purpose of exhibit or display at an exhibition to be held at any time and from time to time by the Port Authority or by its tenants or licensees in the building known as the Port Authority Commerce Building, located on the block bounded by Eighth and Ninth Avenues, Fifteenth and Sixteenth Streets, Borough of Manhattan, city and State of New York, upon which articles there shall be a tariff, or customs duty, shall be admitted free of such tariff, customs duty, fees, or charges under such regulations as the Secretary of the Treasury shall prescribe; but it shall be lawful, at any time during or at the close of any exhibition, exposition, or fair held pursuant to this act to sell for delivery at the close thereof any goods or property imported for and actually displayed at such exhibition, subject to such regulations for the security of the revenue and for the collection of import duties as the Secretary of the Treasury shall prescribe: *Provided,* That all such articles, when sold or withdrawn for consumption or use in the United States, shall be subject to the duty, if any, imposed upon such articles by the revenue laws in force at the date of their withdrawal and to the requirements of the tariff laws in effect at such date: *Provided further,* That the Port Authority shall be deemed, for customs purposes only, to be the sole consignee of all merchandise imported under the provisions of this Act, and that the actual and necessary customs charges for labor, services, and other expenses in connection with the entry, examination, appraisement, release, or custody, together with the necessary charges for salaries of customs, officers, and

employees in connection with the supervision, custody of, and accounting for, articles imported under the provisions of this Act, shall be reimbursed by the Port Authority to the Government of the United States under regulations to be prescribed by the Secretary of the Treasury, and that receipts from such reimbursements shall be deposited as refunds to the appropriation from which paid, in the manner provided for in section 524, Tariff Act of 1930: *Provided further,* That all such articles shall, at the expiration of 2 years, be subject to the import duty when in force, unless the same shall have been sold or exported from this country prior to that time: *And provided further,* That nothing in this Act contained shall be construed as an invitation, express or implied, from the Government of the United States to any foreign government, State, municipality, corporation, partnership, or individual to import any articles for the purpose of exhibition at the said exhibitions.

#### PRODUCTION COSTS OF CERTAIN PELTS

The Senate proceeded to consider the resolution (S. Res. 250) directing the Tariff Commission to investigate the production costs of certain pelts, which had been reported from the Committee on Finance with an amendment, on page 1, line 6, after "Persian lamb pelts" and the comma, to insert "krimmer pelts, karakul pelts", so as to make the resolution read:

*Resolved,* That the United States Tariff Commission is directed, under the authority conferred by section 336 of the Tariff Act of 1930 and for the purposes of that section, to investigate the differences in cost of production of the following domestic articles and of any like or similar foreign articles: Dressed or dyed Persian lamb pelts, krimmer pelts, karakul pelts, Russian pony pelts, squirrel pelts, and mole pelts.

The amendment was agreed to.

The resolution, as amended, was agreed to.

#### A. J. WATTS

The bill (S. 3067) for the relief of A. J. Watts, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That in the administration of any laws conferring rights, privileges, or benefits upon persons who have served in the military forces of the United States, the disabilities of A. J. Watts, formerly a private, Battery B, Georgia Volunteer Light Artillery, shall be held and considered to have been incurred by him in the active military service of the United States during the Spanish-American War: *Provided,* That no compensation, retirement pay, back pay, or other benefit shall be held to have accrued by reason of this act prior to its enactment.

#### PAYMENT OF CERTAIN INTEREST TO AMERICAN WAR MOTHERS

The Senate proceeded to consider the bill (S. 3296) to provide for the payment to the American War Mothers of interest on the fund known as the "Recreation fund, Army", which had been reported from the Committee on Military Affairs with an amendment to strike out all after the enacting clause and to insert in lieu thereof the following:

That the Secretary of the Treasury is authorized and directed to set aside as a special fund in the Treasury the sum of \$294,852.97, representing the unexpended balance of the sums transferred from the "Stars and Stripes fund" and "Other funds" by the act of March 4, 1933, to the fund entitled "Recreation fund, Army." The special fund created pursuant to this act shall be invested and reinvested by the Secretary of the Treasury in interest-bearing obligations of the United States.

SEC. 2. The Secretary of the Treasury is authorized and directed to pay from the special fund created under this act to the American War Mothers, incorporated by the act entitled "An act to incorporate the American War Mothers", approved February 24, 1925, the sum of \$20,000 a year, to be expended by said American War Mothers for such purposes as it sees fit.

SEC. 3. Said American War Mothers shall make a full and complete report to the Congress not later than February 1 of each year as to the purposes for which the sums paid to it under this act have been expended.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to authorize certain payments to the American War Mothers, Inc."

#### JOINT RESOLUTION AND BILL PASSED OVER

The joint resolution (S. J. Res. 242) authorizing and directing the Commodity Credit Corporation to facilitate the liquidation of loans to cotton producers was announced as next in order.

Mr. McKELLAR. Mr. President, I should like to have an explanation of the joint resolution. As the Senator in

charge of the measure is not present, I ask that it be passed over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

The bill (S. 4105) authorizing the Secretary of Agriculture to convey certain lands to the Maryland-National Capital Park and Planning Commission of Maryland for park purposes was announced as next in order.

Mr. McKELLAR. Mr. President, I should like to have an explanation of that bill by the Senator from Maryland.

As the Senator is not present at the moment, I ask that the bill be passed over until we may have an explanation of it.

The PRESIDENT pro tempore. The bill will be passed over.

#### PAYMENT TO CERTAIN NON-INDIAN CLAIMANTS

The bill (S. 4298) to authorize an appropriation to pay non-Indian claimants whose claims have been extinguished under the act of June 7, 1924, but who have been found entitled to awards under said act as supplemented by the act of May 31, 1933, was announced as next in order.

Mr. KING. Mr. President, may we have an explanation of this bill?

Mr. HATCH. Mr. President, the Senator from Utah will recall that the pending bill is the final bill relating to this subject. At the last session we passed a similar bill, and the Secretary of the Interior then reported that there were several claims as yet unsettled and which had not been investigated. Since that time those claims have been investigated. Some 20 claims were filed. Fifteen were approved by the Secretary. The pending bill makes allowances for those 15 claims amounting to about \$3,000.

Mr. KING. Do the claims come within the category of the claims which Mr. Harrington was designated a commissioner to consider and pass upon?

Mr. HATCH. They are along the same general lines; yes. They have been fully approved by the Department, and the ones provided for in the bill are the final ones.

Mr. KING. I have no objection.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, a sum to compensate white settlers or non-Indian claimants whose claims have been extinguished under the act of June 7, 1924 (43 Stat. L. 636), but who have been found by the Secretary of the Interior, in conformity with the proviso to section 3 of the act of May 31, 1933 (48 Stat. L. 108, 109), to be entitled to increased compensation by reason of errors in the amount of award previously allowed or entitled to original awards by reason of errors in the omission of legitimate claimants. The non-Indian claimants, or their successors, as found and reported by the Secretary of the Interior, to be compensated out of said appropriation to be disbursed under the direction of the Secretary of the Interior in the amounts found to be due them, as follows: Within the pueblo of Nambe, \$456.40; within the pueblo of San Ildefonso, \$141.88; within the pueblo of Cochiti, \$936.55; within the pueblo of Sandia, \$1,292.21; within the pueblo of San Juan, \$244.20; in all, \$3,071.24.

#### PROMOTIONS IN THE MARINE CORPS

The Senate proceeded to consider the bill (H. R. 4016) to repeal section 16 of the act entitled "An act to regulate the distribution, promotion, retirement, and discharge of commissioned officers of the Marine Corps, and for other purposes", approved May 29, 1934, which had been reported from the Committee on Naval Affairs with an amendment.

Mr. WALSH. Mr. President, I will explain the bill.

The purpose of this bill is to repeal section 16 of the Marine Corps selection law, which prevents the retirement of majors and lieutenant colonels who were not selected for advancement, and removes the restriction upon those advanced from receiving the pay of their advanced rank. It also provides that every officer of the Marine Corps shall have another opportunity of being selected before being placed upon the retired list. It further provides that officers of the Marine Corps (with certain exceptions) shall not

serve on active duty in Marine Corps Headquarters in Washington, D. C., more than 4 out of any 8 consecutive years, unless the President so requires.

Under the present law, section 16 prevents the retirement of majors and lieutenant colonels who have been passed over, and they stay in that rank until they are 64 years of age, unless otherwise retired. This backs up promotion all down the line in the Marine Corps and prevents a reasonable flow of promotion and advancement of all officers below this rank. The repeal of section 16 is necessary for the efficiency and morale of the Marine Corps. The repeal of this section also removes the restriction upon officers properly advanced, from receiving the pay of their advanced rank, which under the present law is an unwarranted discrimination.

Section 10 of the Marine Corps selection law is also amended, and the effects and reasons for these amendments are contained in the House report which is quoted in part:

The primary purpose of this legislation is to remedy a situation brought about by what the committee believes to have been a too drastic application of the act above referred to and which is hereby amended.

The amendments to section 10 of the Marine Corps Personnel Act of May 29, 1934, as indicated in the first section of this bill provides:

(a) That until January 1, 1938, officers in the upper three-sevenths of the grades of first lieutenant, captain, major, lieutenant colonel, and colonel, will be eligible for consideration by selection boards without regard to length of service in grade; but that on and after that date, all officers subject to selection will be required to serve 4 years in grade (3 years for first lieutenants) before becoming eligible for consideration by selection boards, as is now the case with officers of the line of the Navy:

(b) That no officer of the Marine Corps will become ineligible for consideration for selection or for promotion by reason of length of commissioned service or by age without having been at least once considered by a selection board. This makes eligible for promotion captains in the Marines Corps who have been placed on a promotion list, approved by the President, even though they may become 45 years of age prior to being promoted;

(c) That officers of the Marine Corps of the grade of second lieutenant and above, except the Major General Commandant, the Assistant to the Major General Commandant, the heads of staff departments, and officers on eligible lists for appointment as head of a staff department, a maximum of eight officers, shall not serve on duty in Marine Corps Headquarters, Washington, D. C., more than 4 out of any 8 consecutive years unless the President shall determine that the public interests so require.

Section 2, repealing section 16 of the Marine Corps Personnel Act of May 29, 1934, provides for—

(a) The involuntary retirement of not more than 6 lieutenant colonels and 11 majors each year, who have been passed over for selection for promotion, and who have completed the designated periods of service prescribed in the basic Navy selection law;

(b) The placing of officers of all grades on the same status;

(c) A reasonable and regular flow of promotion;

(d) The removal of the unwarranted discrimination against marine officers in the matter of pay on promotion;

(e) Greatly increased morale and efficiency.

Mr. President, as the law now stands with respect to the Marine Corps, officers in the grade of colonel, captain, first lieutenant, who become ineligible for promotion by reason of nonselection, retire under the same conditions as officers of corresponding rank in the Navy. Officers in the grades of lieutenant colonel and major who are not selected may remain on the active list until they retire for age at 64 years. This condition is obviously most harmful to the morale and efficiency of the Marine Corps.

The primary purpose of the Marine Corps personnel bill was to provide a reasonable and regular flow of promotion in order that officers might serve in each grade at an age appropriate to the mental and physical requirements of the duties of the grade. Its enactment has already been of great benefit to the corps, but in order to derive the full benefit, section 16 must be repealed. The harmful effects incident to the retention on the active list of officers in the grades of lieutenant colonel and major who have failed of selection are obvious and cannot be overestimated. In addition, their retention clogs the wheels of the promotion system and impairs the very object of the bill, namely, a steady and uniform rate of advancement of officers of appropriate age through the various grades, thus eliminating stagnation of promotion and overage of officers in their grades. In fact, section 16 so stifles the promotion system as seriously to impair its other beneficial features.

The evil effects of this section are already taking shape, and the danger signal has appeared on the horizon. Theoretically this section, if not removed, will retard the promotion of a second lieutenant entering the corps 10 years in going to the grade of lieutenant colonel, placing him there at the age of 53, when he should be entering the grade at 43. However, practically speaking, an estimate of the present situation discloses that the actual condition will be far more serious, and unless this harmful restriction is removed the beneficial results already obtained will be wiped out, and in a short time we will revert to an impossible condition approximating that in effect prior to the passage of the present act. For example, of the 40 captains selected by the last board, all were under 45 years of age, averaging 41 years, and if section 16 is removed, only 3 will become 45 before being promoted, the junior about June 30, 1939. But if section 16 is not repealed, 37 of the 40 will become 45 or over prior to being promoted, the junior, at the age of 50, on or about October 1, 1944, a loss of retardation of promotion of 5 years and 4 months. If the effect of section 16 is thus pronounced on captain no. 73, one can well imagine what the effect will be on captain no. 318 by the time he comes up for promotion. This prediction is no exaggeration, and I feel sure that the members of this committee can appreciate this almost impossible situation and will lend a helping hand toward its alleviation.

The effect of the passage of this bill would, with certain necessary minor modifications, be to place the Marine Corps on exactly the same footing as the line of the Navy regarding personnel legislation and would permit the Marine Corps to obtain the full benefit of such legislation.

In all other branches of the national defense, officer on promotion to a higher grade becomes entitled to the pay of the higher grade, which is as it should be. In the Marine Corps the pay restriction in section 16 operates to retain them in the lower rate of pay for a considerable time after promotion. It works the greatest hardship, too, on officers promoted from the grade of second lieutenant, whose pay to begin with is the lowest of commissioned officers. Ensigns in the Navy and Coast Guard and second lieutenants in the Army are automatically promoted after 3 years' service and draw the pay of the higher grade. In the Marine Corps second lieutenants are also promoted after 3 years' service, but as long as section 16 remains in the law continue to draw the pay of second lieutenants. At the present time approximately 60 first lieutenants are drawing second lieutenants' pay. On an average, this condition continues for about 2 years in each case, at a loss of approximately \$1,000 a year. A similar condition, differing only in degree, obtains in all higher grades.

Mr. President, let me now read from some testimony introduced at the hearing on this bill:

Senator WALSH. What is the average age of those men, of the lieutenant colonels who have not been selected?

Mr. VINSON. Colonel Arthur can testify better as to that.

Colonel ARTHUR. The average age of the majors is 43.8 years, and the average age of the lieutenant colonels is 53 years and 10 months.

Senator WALSH. What retirement fund would they receive?

Colonel ARTHUR. The major receives from \$2,126 to \$3,937. It so happens that these officers who will probably be retired have a great deal of service and they will probably run from \$3,500 to \$3,937 a year. That is based on longevity.

The lieutenant colonels, the minimum is \$3,552, and the maximum is \$4,312.

As it so happens, practically every lieutenant colonel will draw the maximum of \$4,312 a year.

Senator WALSH. So this means that those men whom the selection board finds in both groups to be the lowest standard of efficiency for the Navy, will be retired if they are lieutenant colonels with \$4,000 compensation every year for the rest of their lives.

Mr. VINSON. Yes.

Senator WALSH. It is pretty good pay for a man found by his superiors to be of the lowest efficiency in his rank. I wish we had it in civil life.

Mr. VINSON. I only wish Congress was as generous with the Members of the House when they retire as we are with the Army, the naval, and the Marine officers.

Senator WALSH. What does the retirement pay in the Navy run?

Mr. VINSON. I think this year it is carrying between seven and nine million dollars in the bill right now.

Mr. President, there is another very important provision in this bill. The selection bill would require that the selec-

tion board should consider four-sevenths of the group of officers. Four-sevenths of any one group would be the group that would be considered for selection. They could start at the top and select the top man, or they could select the man at the bottom, but the group they had to select was four-sevenths of the total number in that group.

We have amended that to help officers and keep them from being eliminated too rapidly by reducing that down to three-sevenths, and the selection board now is required to confine their group to three-sevenths.

Another thing that we considered highly important to eliminate the criticism of favoritism, as the Marine Corps is a very small organization and the officers are known quite intimately to each other, we have provided here that no officer of the Marine Corps can be stationed in Washington City longer than one tour of duty, or 4 years at one time, and that applies to every officer except the commanders or major general commandant and his assistant, and the four staff officers; in other words, to keep down a little clique from running the Marine Headquarters, and therefore have it said that they are taking care of their particular friends who happen to be stationed in Washington City, and we have put in this bill that he has got to be out of the city 4 years before he can come back 4 years.

Mr. President, this is an important bill. It will tend to greatly increase the morale and efficiency of the Marine Corps.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. BLACK. May I ask the Senator what provision is made as to the type of selection board to pass upon the qualifications of the officers?

Mr. WALSH. A selection board is to be set up immediately upon the passage of this bill, and between the time of its passage and the 1st of July another opportunity will be given to the officers passed over to be selected.

Mr. BLACK. Who will set up the board?

Mr. WALSH. I assume the Secretary of the Navy will do so.

Mr. BLACK. May I ask what provision is made for preventing the same board that acted upon the other officers from serving on this selection board?

Mr. WALSH. The Senator has in mind the selection board that was created a year ago?

Mr. BLACK. Yes, sir.

Mr. WALSH. For the selection of brigadier generals and major generals in the Marine Corps?

Mr. BLACK. Yes.

Mr. WALSH. Not to select officers in the grade of captain and major. The board referred to was selected by the Secretary of the Navy, as the Senator knows, but the Senator suspected that it was not an entirely disinterested board, because the selections were made from officers of the Marine Corps who were located here in Washington at the time of selection.

However, in the case of the Marine Corps, which is a comparatively small organization, it is difficult to select many officers of higher rank, because of the limited number available to serve on the selection boards.

I wish to say to the Senator, however, that this is a compromise measure, and we are doing what we have not done before, in that we are giving an opportunity for reexamination as to those who have not been selected in the grades referred to.

Mr. BLACK. The point I am interested in is that if the reexamination should be held by the same group of officers that passed upon the officers heretofore, in my judgment, it would not allay the criticism of promotions in the Marine Corps.

Mr. WALSH. I will say to the Senator that, so far as I have any influence as acting chairman of the Committee on Naval Affairs, and I know I may say as much for the chairman of the House Committee on Military Affairs, Mr. VINSON, our utmost influence will be used to see that an absolutely impartial board is created and that past criticisms made as to the attitude of selection boards shall be removed.

Mr. BLACK. And that it will not be the same board?

Mr. WALSH. I agree with the Senator.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. BYRNES. The only provision in the bill is that the selection board shall be constituted as provided by law. That is the provision in the bill.

Mr. WALSH. Yes, sir.

Mr. BYRNES. The effect of the bill, if enacted, would really be to accomplish a saving of from six to seven thousand dollars, would it not?

Mr. WALSH. Yes; the ultimate result would be a saving.

Mr. BYRNES. Over 4 or 5 years?

Mr. WALSH. However, its real purpose is to promote the younger officers whose promotion is retarded under existing law.

Let me remind the Senator that while section 6 remains unrepealed, officers who have been promoted from captain to major and from major to lieutenant colonel are not getting the salary which others of their rank receive. The repeal of section 16 of existing law alone will remedy this.

Mr. BYRNES. There is no reason for the discrimination.

Mr. WALSH. It is rank discrimination. I do not believe there is any question but that the Senate should pass this bill.

The PRESIDENT pro tempore. The amendment reported by the Committee on Naval Affairs will be stated.

The amendment was to strike out all after the enacting clause and to insert the following:

That so much of section 10 of the act entitled "An act to regulate the distribution, promotion, retirement, and discharge of commissioned officers of the Marine Corps, and for other purposes", approved May 29, 1934 (48 Stat. 811), as provides: "and officers in the upper four-sevenths of the grades below brigadier general, subject to selection as established by the first section of this act, shall be eligible for consideration by selection boards and for promotion without regard to length of service in grade: *Provided*, That no officer of the Marine Corps shall be ineligible for consideration for promotion by reason of completion of length of commissioned service until he shall have been once considered by a selection board", is hereby amended to read as follows: "and until January 1, 1938, officers in the upper three-sevenths of the grades below brigadier general, subject to selection as established by the first section of this act, shall be eligible for consideration by selection boards without regard to length of service in grade: *Provided*, That hereafter no officer of the Marine Corps shall be ineligible for consideration by a selection board or for promotion by reason of completion of length of commissioned service or because of age without having at least once been considered by a selection board, and any officer of the Marine Corps now on a promotion list shall be eligible for promotion unless removed from said list in accordance with existing law: *Provided further*, That officers of the Marine Corps of the grade of second lieutenant and above, except those appointed or serving as major general commandant, as assistant to the major general commandant, as the head of a staff department, or whose names appear on an eligible list for appointment as head of a staff department, shall not serve on duty in the Marine Corps Headquarters, Washington, D. C., more than 4 out of any 8 consecutive years unless the President shall determine that the public interests so require."

Sec. 2. That section 16 of the said act of May 29, 1934 (48 Stat. 811), be, and the same is hereby, repealed.

Sec. 3. That officers of the Marine Corps in the grades of lieutenant colonel and major, who prior to June 30, 1935, completed the designated periods of service for their respective grades, shall retain their eligibility for consideration for selection until June 30, 1936, and such officers who on that date are not on a promotion or retention list shall be transferred to the retired list: *Provided*, That a duly constituted selection board appointed as provided by law shall be convened immediately after the approval of this act, which board, in recommending for selection for promotion the number of officers of the grades of lieutenant colonel and major directed by the Secretary of the Navy in accordance with law, shall recommend, from the officers now on the active list in those grades, four officers of the grade of lieutenant colonel and nine officers of the grade of major, who held commissions in those grades, respectively, on May 28, 1934.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to amend section 10 and repeal section 16 of the act entitled 'An act to regulate the distribution, promotion, retirement, and discharge of commissioned officers of the Marine Corps, and

for other purposes', approved May 29, 1934 (48 Stat. 811), and for other purposes."

#### WALKER RIVER INDIAN RESERVATION, NEV.

The Senate proceeded to consider the bill (S. 3805) to authorize the Secretary of the Interior to reserve certain lands on the public domain in Nevada for addition to the Walker River Indian Reservation, which had been reported from the Committee on Indian Affairs with amendments.

The first amendment was, on page 2, line 1, after the word "hereof", to insert the following proviso: "*Provided further*, That the Secretary of the Interior shall arrange, either by the maintenance of existing stock driveways or otherwise, to permit stock owned by others than Indians to cross the reservation at designated points", so as to make the section read:

That the Secretary of the Interior be, and he is hereby, authorized to set aside not to exceed 171,200 acres, or so much thereof as he may deem advisable, of the public-domain lands in townships 11, 12, 13, 14, and 15 north, ranges 27, 28, 29, 30, and 31 east, Mount Diablo meridian, Nevada, as an addition to the Walker River Indian Reservation: *Provided*, That the said withdrawal shall not affect any valid rights initiated prior to the approval hereof: *Provided further*, That the Secretary of the Interior shall arrange, either by the maintenance of existing stock driveways or otherwise, to permit stock owned by others than Indians to cross the reservation at designated points. Executive order of November 26, 1934, temporarily withdrawing public-domain lands for classification, etc., under the Taylor Grazing Act of June 28, 1934 (ch. 865, 48 Stat. L. 1269), is hereby revoked as to such of the above-described lands as may be designated by the Secretary of the Interior for addition to the said Walker River Indian Reservation.

The amendment was agreed to.

The next amendment was, on page 2, after line 11, to insert a new section, as follows:

SEC. 2. Title to all minerals in said lands is hereby reserved to the United States and shall be subject to all forms of mineral entry or claim under the public land mining laws: *Provided*, That the Paiute Indians of the Walker River Reservation shall be paid by mineral claimants for the loss of any improvements on any lands located or withdrawn for mining purposes under rules and regulations to be prescribed by the Secretary of the Interior: *And provided further*, That an annual rental of not less than 5 cents per acre shall be paid to the superintendent of the reservation to be deposited to the credit of the tribe as compensation for loss of use or occupancy of any lands withdrawn for mining purposes or mineral entry. No mineral patent shall be granted to any applicant who is delinquent in the payment of rental or in the payment of any damages due the tribe under the provisions of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### CLAIMS OF KLAMATH, MODOC, AND YAHOSKIN INDIANS

The Senate proceeded to consider the bill (S. 3797) to amend an act entitled "An act authorizing certain tribes of Indians to submit claims to the Court of Claims, and for other purposes", approved May 26, 1920, which had been reported from the Committee on Indian Affairs with amendments, on page 1, line 3, after the word "the", to strike out "suits" and insert "suit numbered E-346"; on the same page, after line 9, to insert "irrespective of any release or settlement, to reinstate and retry said case and"; on page 2, line 2, after the word "thereon", to strike out "irrespective of any release or settlement, and"; and on line 5, after the word "appeal", to insert "rather than by certiorari", so as to make the bill read:

*Be it enacted, etc.*, That in the suit numbered E-346 heretofore instituted in the Court of Claims by the Klamath and Modoc Tribes and Yahooskin Band of Snake Indians under an act entitled "An act authorizing certain tribes of Indians to submit claims to the Court of Claims, and for other purposes", approved May 26, 1920, jurisdiction is hereby conferred upon said court, and it is hereby authorized and directed, irrespective of any release or settlement, to reinstate and retry said case and to hear and determine the claims of the plaintiffs on the merits, and to enter judgment thereon upon the present pleadings, evidence, and findings of fact, with the right of appeal, rather than by certiorari, to the Supreme Court of the United States by either party: *Provided*, That any payment heretofore made to the said Indians by the United States in connection with any release or settlement shall be charged as an offset, but shall not be treated as an estoppel.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

## INDIAN RESERVATIONS IN ALASKA

The bill (S. 4420) to extend certain provisions of the act approved June 18, 1934, commonly known as the Wheeler-Howard Act (Public Law No. 383, 73d Cong., 48 Stat. 984), to the Territory of Alaska, to provide for the designation of Indian reservations in Alaska, and for other purposes, was announced as next in order.

Mr. THOMAS of Oklahoma. Mr. President, the House has passed an identical bill, which is now on the calendar, being Order of Business No. 1996, House bill 9866. I move that the House bill be substituted for the Senate bill and be considered at this time, after the passage of the House bill, I shall move that the Senate bill be indefinitely postponed.

The PRESIDENT pro tempore. Without objection, the House bill will be substituted for the Senate bill and will be now considered.

Mr. KING. Mr. President, I should like to ask the Senator from Oklahoma whether this bill is approved by the Commissioner of Indian Affairs and by the Secretary of the Interior?

Mr. THOMAS of Oklahoma. It is approved by the Secretary of the Interior and by the Bureau of the Budget.

The bill (H. R. 9866) to extend certain provisions of the act approved June 18, 1934, commonly known as the Wheeler-Howard Act (Public Law No. 383, 73d Cong., 48 Stat. 984), to the Territory of Alaska, to provide for the designation of Indian reservations in Alaska, and for other purposes, was read, considered, ordered to a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That sections 1, 5, 7, 8, 15, 17, and 19 of the act entitled "An act to conserve and develop Indian lands and resources; to extend to Indians the right to form business and other organizations; to establish a credit system for Indians; to grant certain rights of home rule to Indians; to provide for vocational education for Indians; and for other purposes", approved June 18, 1934 (48 Stat. 984), shall hereafter apply to the Territory of Alaska: *Provided,* That groups of Indians in Alaska not heretofore recognized as bands or tribes, but having a common bond of occupation, or association, or residence within a well-defined neighborhood, community, or rural district, may organize to adopt constitutions and bylaws and to receive charters of incorporation and Federal loans under sections 16, 17, and 10 of the act of June 18, 1934 (48 Stat. 984).

Sec. 2. That the Secretary of the Interior is hereby authorized to designate as an Indian reservation any area of land which has been reserved for the use and occupancy of Indians or Eskimos by section 8 of the act of May 17, 1884 (23 Stat. 26), or by section 14 or section 15 of the act of March 3, 1891 (26 Stat. 1101), or which has been heretofore reserved under any Executive order and placed under the jurisdiction of the Department of the Interior or any bureau thereof, together with additional public lands adjacent thereto, within the Territory of Alaska, or any other public lands which are actually occupied by Indians or Eskimos within said Territory: *Provided,* That the designation by the Secretary of the Interior of any such area of land as a reservation shall be effective only upon its approval by the vote, by secret ballot, of a majority of the Indian or Eskimo residents thereof who vote at a special election duly called by the Secretary of the Interior upon 30 days' notice: *Provided, however,* That in each instance the total vote cast shall not be less than 30 percent of those entitled to vote: *Provided further,* That nothing herein contained shall affect any valid existing claim, location, or entry under the laws of the United States, whether for homestead, mineral, right-of-way, or other purpose whatsoever, or shall affect the rights of any such owner, claimant, locator, or entryman to the full use and enjoyment of the land so occupied.

The PRESIDENT pro tempore. Senate bill 4420, being Order of Business 1831, will be indefinitely postponed.

EDWIN E. DAILEY

The bill (S. 3369) providing for the posthumous appointment of Ernest E. Dailey as a warrant radio electrician, United States Navy, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That the Secretary of the Navy be, and he is hereby, authorized and directed to appoint, posthumously, Edwin E. Dailey, late a radioman, first class, United States Navy, a warrant radio electrician, United States Navy, and to deliver to the widow of said Edwin E. Dailey the warrant of such appointment. Such appointment shall be effective as of February 11, 1935.

ROSCOE M'KINLEY MEADOWS

The bill (S. 3715) for the relief of Roscoe McKinley Meadows was announced as next in order.

Mr. KING. Mr. President, may I ask the Senator from Virginia [Mr. BYRD] a question in regard to this case? I call his attention to the fact that the person who is seeking this benefit, namely, Roscoe McKinley Meadows, said at the time of his resignation from the Navy—I quote from the letter of the Secretary of the Navy in the report:

At the time of his resignation on June 30, 1920, he signed the following statement:

"I hereby certify that I have no injury or disability which would entitle me to compensation under the War Risk Insurance Act."

Then there is a further explanation by the Secretary of the Navy. As I understand, the Department does not approve the bill.

Mr. BYRD. Mr. President, let me say the Navy Department does not disapprove it.

Mr. KING. The person who is the applicant for the benefit resigned voluntarily; he stated that he had no disability whatever; and he is now seeking the passage of the bill which, if enacted into law, would result in additional cost to the Government of \$1,950 per annum, chargeable to the Federal administration.

Mr. BYRD. I think the Navy Department, Mr. President, interposed no objection to the bill. It simply clears the record and provides that Mr. Meadows shall be considered to have served as an officer of the Navy of the United States during the World War other than as an officer of the Regular Navy.

Mr. KING. It means a pension for this man who resigned voluntarily from the Navy and had no disability whatever. Will the Senator let the bill go over until I may consult the Department regarding it?

Mr. BYRD. Very well.

The PRESIDENT pro tempore. The bill will be passed over.

BERNARD F. HICKEY

The bill (S. 4119) for the relief of Bernard F. Hickey was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Bernard F. Hickey, a major, United States Marine Corps, retired, the sum of \$1,587.25 in full satisfaction of all his claims against the United States for the loss of certain of his personal property on September 1, 1923, in the earthquake and fire at Kamakura, Japan, while serving as an assistant attaché of the American Embassy at Tokyo, Japan.

WILLIAM H. BROCKMAN

The Senate proceeded to consider the bill (S. 4233) for the relief of William H. Brockman, which had been reported from the Committee on Naval Affairs with an amendment, on page 1, line 3, after the word "the", to strike out "Secretary of the Navy" and insert "Comptroller General of the United States", so as to make the bill read:

*Be it enacted, etc.,* That the Comptroller General of the United States be, and he is hereby, authorized and directed to cancel the charges entered on the pay accounts of William H. Brockman, lieutenant (junior grade), United States Navy, in the amount of \$317.34, and to pay to said William H. Brockman, out of money appropriated for the pay of Navy personnel, any amount heretofore deducted from his pay on account of such charges; such charges having been entered on the accounts of said William H. Brockman by reason of extra pay received by him for the performance of duty at submarine escape training tanks, and a subsequent ruling that he was not entitled to such extra pay because such duty was not actually performed on board a submarine.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CATHARINE I. KLEIN

The bill (H. R. 10575) for the relief of Catharine I. Klein was considered, ordered to a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$5,000 to Catharine I. Klein, widow of Nelson B. Klein, special agent of the Federal Bureau of Investigation of the Department of Justice, killed in line of his official duty at College Corner, Ohio, on

August 16, 1935: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

Mr. BAILEY subsequently said: Mr. President, may I inquire what action was taken with regard to Order of Business 1836, being House bill 10575?

The PRESIDENT pro tempore. The bill was considered, the amendment was agreed to, and the bill was passed as amended.

Mr. BAILEY. There is a difficulty there.

That was a House bill, but by reference to Order of Business 1708, on page 10 of the calendar, it will be found that a similar Senate bill was also passed. I think the Senate should reconsider the vote by which the Senate bill was passed and indefinitely postpone it, the House bill, as stated by the Chair, having been passed.

The PRESIDENT pro tempore. Without objection, the vote by which Order of Business 1708, being the bill (S. 4019) for the relief of Catharine I. Klein, was passed will be reconsidered, and, without objection, the bill will be indefinitely postponed.

#### AMENDMENT OF FEDERAL REGISTER ACT

The Senate proceeded to consider the bill (S. 4405) to amend section 11 of the Federal Register Act approved July 26, 1935 (Public, No. 220, 74th Cong.), which had been reported from the Committee on the Judiciary, with an amendment, on page 1, line 5, after the name "Congress", to strike out "is hereby amended so as to relieve from publication in the special or supplementary edition or issue of the Federal Register those Presidential proclamations and Executive orders that are of record in the General Land Office and relate to the public lands and which were issued or promulgated prior to the date documents are required or authorized by said act to be published in the Federal Register" and in lieu thereof to insert "be amended by substituting a colon for the period at the end of the section and adding the following proviso: *Provided, however*, That this section shall not require the General Land Office to prepare and file for publication in the special or supplementary edition or issue of the Federal Register those Presidential proclamations and Executive orders which are of record in the General Land Office and relate to the public lands and which were issued or promulgated prior to the date documents are required or authorized by said act to be published in the Federal Register", so as to make the bill read:

*Be it enacted, etc.*, That section 11 of the Federal Register Act approved July 26, 1935 (Public, No. 220, 74th Cong.), be amended by substituting a colon for the period at the end of the section and adding the following proviso: *Provided, however*, That this section shall not require the General Land Office to prepare and file for publication in the special or supplementary edition or issue of the Federal Register those Presidential proclamations and Executive orders which are of record in the General Land Office and relate to the public lands and which were issued or promulgated prior to the date documents are required or authorized by said act to be published in the Federal Register.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### BARBARA JAECKEL

The bill (S. 4400) for the relief of Barbara Jaeckel, was considered, ordered to be engrossed for a third reading, read the third time and passed, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Barbara Jaeckel, widow of Theodore Jaeckel, late consul general, Victoria, British Columbia, the sum of \$8,800, being 1 year's salary of her deceased husband who died while in the Foreign Service; and there is

hereby authorized to be appropriated a sufficient sum to carry out the purposes of this act.

#### COINAGE OF 50-CENT PIECES—GREAT LAKES EXPOSITION

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 4335) to authorize the coinage of 50-cent pieces in commemoration of the centennial celebration of Cleveland, Ohio, to be known as the Great Lakes Exposition, which were, on page 1, line 9, after "not", to insert "less than twenty-five thousand and not"; and on page 2, line 12, after "than", to strike out "five" and insert "twenty-five".

Mr. BULKLEY. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

#### BILL PASSED OVER

The bill (H. R. 2119) for the relief of Mrs. E. L. Babcock, mother and guardian of Nelson Babcock, a minor, was announced as next in order.

Mr. McKELLAR. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

#### N. N. SELF

The bill (H. R. 1265) for the relief of N. N. Self was considered, ordered to a third reading, read the third time, and passed.

#### ARCHIE P. McLANE AND HANS PETER JENSEN

The bill (H. R. 3513) for the relief of Archie P. McLane and Hans Peter Jensen was considered, ordered to a third reading, read the third time, and passed.

#### M. M. SMITH

The bill (H. R. 4965) for the relief of M. M. Smith was considered ordered to a third reading, read the third time, and passed.

#### EDITH H. MILLER

The bill (H. R. 5753) for the relief of Edith H. Miller was considered, ordered to a third reading, read the third time, and passed.

#### MRS. EARL POYNOR

The bill (H. R. 6669) for the relief of Mrs. Earl Poynor was considered, ordered to a third reading, read the third time, and passed.

#### DR. J. C. BLALOCK

The bill (H. R. 8094) for the relief of Dr. J. C. Blalock was considered, ordered to a third reading, read the third time, and passed.

#### JOHN W. HUBBARD

The bill (S. 3080) conferring jurisdiction upon the Court of Claims, to hear, determine, and render judgment upon the claim of John W. Hubbard was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That jurisdiction is conferred upon the Court of Claims to hear, determine, and render judgment upon the claim of John W. Hubbard, of Pittsburgh, Pa., against the United States for damages for injury to the steamboat *Senator Cordill*, and its cargo, on February 5, 1934, when such steamboat struck a submerged wicket of United States Dam No. 14, on the Ohio River and sank.

Sec. 2. Such claim may be instituted at any time within 1 year after the date of enactment of this act, notwithstanding the lapse of time or any statute of limitation. Proceedings for the determination of such claim, and appeals from, and payment of, any judgment thereon, shall be in the same manner as in the case of claims over which such court has jurisdiction under section 145 of the Judicial Code, as amended.

#### RASMUS BECH

The bill (H. H. 11231) for the relief of Rasmus Bech was considered, ordered to a third reading, read the third time, and passed.

#### J. EDWIN HEMPHILL

The bill (H. R. 7963) for the relief of J. Edwin Hemphill was considered, ordered to a third reading, read the third time, and passed.

## JOSEPH MOSSEW

The bill (H. R. 10521) for the relief of Joseph Mossew was considered, ordered to a third reading, read the third time, and passed.

## STATE OF NEVADA

The bill (S. 3907) for the relief of the State of Nevada was announced as next in order.

Mr. McNARY. Mr. President, I think we should have an explanation of the bill. I think it very appropriate that the explanation be made by the Senator now occupying the chair.

Mr. LOGAN. I ask that the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. McNARY subsequently said: Mr. President, when Senate bill 3907 was reached, a bill for the relief of the State of Nevada, I asked for an explanation of it. At the time the able Senator from Nevada [Mr. PITTMAN] was in the chair, and, of course, he felt some embarrassment and did not make, as he could have made, a statement regarding the bill. Meantime, I have examined the measure and find that it is very meritorious.

At this time, therefore, I ask unanimous consent to recur to Calendar No. 1851, Senate bill 3907.

The PRESIDING OFFICER (Mr. TRUMAN in the chair). Is there objection to the request of the Senator from Oregon?

There being no objection, the Senate proceeded to consider the bill (S. 3907) for the relief of the State of Nevada, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That notwithstanding the provisions of section 3646, as amended, of the Revised Statutes of the United States, the Chief Disbursing Officer of the Treasury Department is authorized and directed to issue, without the requirement of an indemnity bond, a duplicate of original check no. 81257, drawn September 6, 1935, in favor of "State treasurer of Nevada, trust fund" for \$3,978.97 and lost after delivery.

Mr. PITTMAN. Mr. President, I thank the Senator from Oregon.

## F. L. FORBES ET AL.

The Senate proceeded to consider the bill (S. 3241) authorizing adjustment of the claims of F. L. Forbes, John L. Abbot, and the Ralph Sollitt & Sons Construction Co., which had been reported from the Committee on Claims with an amendment to insert at the end of the bill a proviso, so as to make the bill read:

*Be it enacted, etc.,* That the Comptroller General of the United States be, and he is hereby, authorized and directed to settle and adjust the claims of F. L. Forbes for \$1,035.30 as amount of judgment and costs in his favor, in the United States District Court at Lynchburg, Va., against Ralph Sollitt & Sons Construction Co., contractor for the construction of a Government building under contract Tisa-3198, dated May 26, 1932, concerning a party wall; a claim of John L. Abbott for \$350 as attorney's fees for assisting in the defense of Ralph Sollitt & Sons Construction Co. in such suit; and the claim of Ralph Sollitt & Sons Construction Co. for a balance of \$248.30 on account of its costs in connection with the matter, and to allow said amounts in full and final settlement of their respective claims. There is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, the sum of \$1,633.60, or so much thereof as may be necessary, for the payment of said claims: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

## RANDALL KRAUSS

The bill (S. 3839) granting a pension to Randall Krauss was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That the Administrator of Veterans' Affairs be, and he is hereby, authorized and directed to place on the pension roll, subject to the provisions and limitations of the pension laws, the name of Randall Krauss, a minor child, and pay him

a pension at the rate of \$100 per month until he becomes 21 years of age, all the other members of the family of the said Randall Krauss having been killed when their automobile was struck by a United States Army airplane at Griffith Park, Calif., on June 20, 1935.

## ROBERT C. E. HEDLEY

The bill (H. R. 4660) for the relief of Robert C. E. Hedley was considered, ordered to a third reading, read the third time, and passed.

## ALBERT THESING, JR.

The bill (H. R. 3823) for the relief of Albert Thesing, Jr., was considered, ordered to a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the parents of Albert Thesing, Jr., Rochester, N. Y., the sum of \$2,500, in full settlement of all claims against the Government of the United States for the death of the said Albert Thesing, resulting from an explosion and fire, caused by agents of the Bureau of Prohibition during a raid in the city of Rochester, July 7, 1933: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The title was amended so as to read, "An act for the relief of the parents of Albert Thesing, Jr."

## BILLS PASSED OVER

The bill (H. R. 5867) for the relief of E. C. Willis, father of the late Charles R. Willis, a minor, was announced as next in order.

Mr. McKELLAR. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 8089) for the relief of Joseph J. Baylin was announced as next in order.

Mr. McKELLAR. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

## ANN RAKESTRAW

The Senate proceeded to consider the bill (S. 3932) for the relief of Ann Rakestraw, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, to strike out the numerals "\$5,000" and insert in lieu thereof "\$3,500", so as to make the bill read:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ann Rakestraw the sum of \$3,500 in full and final settlement of any and all claims against the Government for personal injuries suffered by her when the automobile in which she was riding was struck by a Navy ambulance on September 13, 1935, at the intersection of Twenty-second and M Streets NW., Washington, D. C.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

## GEORGE E. WILSON

The Senate proceeded to consider the bill (S. 3652) for the relief of George E. Wilson, which had been reported from the Committee on Claims with amendments, on page 1, line 6, to strike out "\$500" and insert in lieu thereof "\$300", and

at the end of the bill to add a proviso, so as to make the bill read:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to George E. Wilson the sum of \$300, representing the amount paid by him on December 12, 1928, to the United States District Court for the Southern District of Mississippi as surety on the forfeited appearance bond of one Ed Ward, who willfully defaulted on a charge of violation of the liquor law but who was subsequently rearrested and convicted through the efforts of the said George E. Wilson: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### JAMES MURPHY MORGAN

The Senate proceeded to consider the bill (H. R. 7253) for the relief of James Murphy Morgan, which had been reported from the Committee on Claims, with an amendment to strike out all after the enacting clause and in lieu thereof to insert the following:

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to James Murphy Morgan, of Miami, Ariz., the sum of \$10,000, and to Blanche Copelan, of Claypool, Ariz., the sum of \$750. Such sums shall be in full settlement of all claims against the United States for permanent personal injuries, medical expenses, property damage, and loss of wages sustained by the said James Murphy Morgan and Blanche Copelan when they were injured in an automobile collision with a United States owned truck (Civilian Conservation Corps truck) near Claypool, Gila County, Ariz., on November 18, 1934: *Provided,* That no part of the amounts appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claims. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claims, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read "An act for the relief of James Murphy Morgan and Blanche Copelan."

#### MISSISSIPPI RIVER BRIDGE, NATCHEZ, MISS.

The bill (S. 4208) to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Natchez, Miss., and for other purposes was announced as next in order.

Mr. McKELLAR. On the calendar is a House bill of identical nature. I suggest that the Senate bill be indefinitely postponed and the House bill placed upon its passage.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Tennessee?

There being no objection the bill (H. R. 11729) to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Natchez, Miss., and for other purposes was considered, ordered to a third reading, read the third time, and passed.

The PRESIDENT pro tempore. Without objection, Senate bill 4208, bearing the same title, is indefinitely postponed.

#### FLOOD CONTROL ON SABINE AND NECHES RIVERS

The Senate proceeded to consider the bill (S. 4214) to authorize the preparation of a comprehensive plan for controlling the floods, regulating the flow of waters, land reclamation, and conserving water for beneficial uses, in the basins of the Sabine and Neches Rivers, and for other purposes, which has been reported from the Committee on Commerce

with an amendment to strike out all after the enacting clause and insert in lieu thereof the following:

That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made of the Sabine and Neches Rivers, and their tributaries, with a view to controlling their floods and regulating, conserving, and utilizing the waters thereof, in accordance with the provisions of section 3 of the Act entitled "An Act to provide for the control of the floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes", approved March 1, 1912, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to provide for a preliminary examination of the Sabine and Neches Rivers, with a view to controlling their floods and regulating, conserving, and utilizing the waters thereof, and for other purposes."

#### CONNECTICUT RIVER BRIDGE, NORTHAMPTON, MASS.

The bill (S. 4326) granting the consent of Congress to the Department of Public Works of Massachusetts to construct, maintain, and operate a free highway bridge across the Connecticut River at or near Northampton, Mass., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That the consent of Congress is hereby granted to the Department of Public Works, Commonwealth of Massachusetts, to construct, maintain, and operate a free highway bridge and approaches thereto across the Connecticut River, at a point suitable to the interests of navigation, at or near the city of Northampton, Mass., in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906.

Sec. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

#### ST. LAWRENCE RIVER BRIDGE, ALEXANDRIA BAY, N. Y.

The bill (H. R. 10631) to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Alexandria Bay, N. Y., was considered, ordered to a third reading, read the third time, and passed.

#### WACCAMAW RIVER BRIDGE, CONWAY, S. C.

The bill (H. R. 11043) to extend the times for commencing and completing the construction of a bridge across the Waccamaw River at or near Conway, S. C., was considered, ordered to a third reading, read the third time, and passed.

#### CURRENT RIVER BRIDGE, SHANNON COUNTY, MO.

The bill (H. R. 11073) granting the consent of Congress to the State Highway Commission of Missouri to construct, maintain, and operate a free highway bridge across the Current River at or near Powder Mill Ford on Route No. Missouri 106, Shannon County, Mo., was considered, ordered to a third reading, read the third time, and passed.

#### DELAWARE RIVER BRIDGE, DELAWARE WATER GAP

The bill (H. R. 11402) authorizing the Delaware River Joint Toll Bridge Commission of the State of Pennsylvania and the State of New Jersey to construct, maintain, and operate a toll bridge across the Delaware River at a point near Delaware Water Gap was considered, ordered to a third reading, read the third time, and passed.

#### MISSISSIPPI RIVER BRIDGE, ST. LOUIS, MO.

The bill (H. R. 11478) to extend the times for commencing and completing the construction of a bridge across the Mississippi River between St. Louis, Mo., and Stiles, Ill., was considered, ordered to a third reading, read the third time, and passed.

#### TENNESSEE RIVER BRIDGE, ALABAMA

The bill (H. R. 11613) to extend the times for commencing and completing the construction of a bridge across the Tennessee River between Colbert County and Lauderdale County, Ala., was considered, ordered to a third reading, read the third time, and passed.

## MISSISSIPPI RIVER BRIDGE, ST. LOUIS, MO.

The bill (H. R. 11644) to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near a point between Morgan and Wash Streets in the city of St. Louis, Mo., and a point opposite thereto in the city of East St. Louis, Ill., was considered, ordered to a third reading, read the third time, and passed.

Mr. KING. Mr. President, I should like to ask the Senator from Texas [Mr. SHEPPARD], in view of the number of measures we are now considering calling for bridge surveys, whether in the bill we passed some time ago carrying \$187,000,000 for flood-control examination of streams with a view to their development, these cases were not included, or whether under that bill these surveys might not be made?

Mr. SHEPPARD. Mr. President, these bills provide only for preliminary examinations and for reports back to Congress as to the desirability and cost of a survey. These will not be included in any measure until the Government engineers report the results of the preliminary examinations.

Mr. McKELLAR. Mr. President, are all these bridge bills in like form, and do they contain the necessary precautions for the protection of the Government?

Mr. SHEPPARD. Yes; they are in the usual form. They are the usual bridge bills. The interests of the Government are taken care of.

## OHIO RIVER BRIDGE, SISTERSVILLE, W. VA.

The bill (H. R. 11772) to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Sistersville, W. Va., was considered, ordered to a third reading, read the third time, and passed.

## PRELIMINARY EXAMINATION OF COSATOT RIVER, ARK.

The bill (H. R. 9235) to provide for a preliminary examination of the Cosatot River in Sevier County, Ark., to determine the feasibility of cleaning out the channel and leveeing the river and the cost of such improvements, with a view to the controlling of floods, was considered, ordered to a third reading, read the third time, and passed.

## PRELIMINARY EXAMINATION OF RED AND LITTLE RIVERS, ARK.

The bill (H. R. 9236) to authorize a preliminary examination of the Red and Little Rivers, Ark., insofar as Red River affects Little River County, Ark., and insofar as Little River affects Little River and Sevier Counties, Ark., to determine the feasibility of leveeing Little River and the cost of such improvement, and also the estimated cost of repairing and strengthening the levee on Red River in Little River County, with a view to the controlling of floods, was considered, ordered to a third reading, read the third time, and passed.

## PRELIMINARY EXAMINATION OF LITTLE MISSOURI RIVER, ARK.

The bill (H. R. 9249) to provide for a preliminary examination of the Little Missouri River in Pike County, Ark., to determine the feasibility of cleaning out the channel and leveeing the river and the cost of such improvements with a view to the controlling of floods, was considered, ordered to a third reading, read the third time, and passed.

## PRELIMINARY EXAMINATION OF PETIT JEAN RIVER, ARK.

The bill (H. R. 9250) to provide for a preliminary examination of the Petit Jean River in Scott and Logan Counties, Ark., to determine the feasibility of cleaning out the channel and leveeing the river and the cost of such improvements with a view to the controlling of floods, was considered, ordered to a third reading, read the third time, and passed.

## PRELIMINARY EXAMINATION OF BIG MULBERRY CREEK, ARK.

The bill (H. R. 9267) to provide for a preliminary examination of Big Mulberry Creek, in Crawford County, Ark., from the point where it empties into the Arkansas River up a distance of 8 miles, to determine the feasibility of cleaning out the channel and repairing the banks, and the cost of such improvement, with a view to the controlling of floods, was considered, ordered to a third reading, read the third time, and passed.

## PRELIMINARY EXAMINATION OF CADRON CREEK, ARK.

The bill (H. R. 9874) authorizing a preliminary examination of Cadron Creek, Ark., a tributary of the Arkansas River, was considered, ordered to a third reading, read the third time, and passed.

## PRELIMINARY EXAMINATION OF PASSAIC RIVER, N. J.

The bill (H. R. 11806) to authorize a preliminary examination of Passaic River, N. J., with a view to the control of its floods, was considered, ordered to a third reading, read the third time, and passed.

## PRELIMINARY EXAMINATION OF THE MATANUSKA RIVER, ALASKA

The bill (H. R. 11042) authorizing a preliminary examination of the Matanuska River in the vicinity of Matanuska, Alaska, was considered, ordered to a third reading, read the third time, and passed.

## SURVEY OF LOWELL CREEK, ALASKA

The bill (H. R. 10487) to authorize a survey of Lowell Creek, Alaska, to determine what, if any, modification should be made in the existing project for the control of its floods, was considered, ordered to a third reading, read the third time, and passed.

## MISSOURI RIVER BRIDGE, WELDON SPRING, MO.

The bill (H. R. 9273) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Weldon Spring, Mo., was considered, ordered to a third reading, read the third time, and passed.

## PRELIMINARY EXAMINATION OF MARIAS DES CYGNES RIVER, KANS.

The bill (H. R. 8301) to authorize a preliminary examination of the Marias des Cygnes River, in the State of Kansas, with a view to the control of its floods, was considered, ordered to a third reading, read the third time, and passed.

## PRELIMINARY EXAMINATION OF GREENBRIER RIVER, W. VA.

The bill (H. R. 3383) to provide a preliminary examination of the Greenbrier River and its tributaries, in the State of West Virginia, with a view to the control of its floods, was considered, ordered to a third reading, read the third time, and passed.

## PRELIMINARY EXAMINATION OF CHEAT RIVER, W. VA.

The bill (H. R. 3384) to provide a preliminary examination of the Cheat River and its tributaries, in the State of West Virginia, with a view to the control of its floods, was considered, ordered to a third reading, read the third time, and passed.

## PRELIMINARY EXAMINATION OF POTOMAC RIVER AND TRIBUTARIES

The bill (H. R. 3385) to provide a preliminary examination of the Potomac River and its tributaries, with a view to the control of its floods, was considered, ordered to a third reading, read the third time, and passed.

## PRELIMINARY EXAMINATION OF CHICKASAWHA RIVER, MISS.

The bill (H. R. 8694) to provide a preliminary examination of the Chickasawha River and its tributaries in the State of Mississippi, with a view to the control of their floods was considered, ordered to a third reading, read the third time, and passed.

## MISSISSIPPI RIVER BRIDGE, LOUISIANA

The bill (S. 4002) to extend the times for commencing and completing the construction of a bridge across the Mississippi River between New Orleans and Gretna, La., was announced as next in order.

Mr. OVERTON. Mr. President, the House has passed a similar bill, being House bill 11103, Calendar No. 1993. I ask unanimous consent to substitute the House bill for the Senate bill.

The PRESIDENT pro tempore. Without objection, the House bill will be substituted for the Senate bill and will be considered at this time.

The Senate proceeded to consider the bill (H. R. 11103) to extend the times for commencing and completing the construction of a bridge across the Mississippi River between New Orleans and Gretna, La., which was read, as follows:

*Be it enacted, etc.,* That the times for commencing and completing the construction of a bridge across the Mississippi River between New Orleans and Gretna, La., authorized to be built by George A. Hero and Allen S. Hackett, their successors and assigns, by an act of Congress approved March 2, 1927, heretofore extended by acts of Congress approved March 6, 1928, February 19, 1929, June 10, 1930, March 1, 1933, March 5, 1934, and June 3, 1935, are hereby further extended 1 and 3 years, respectively, from the date of approval hereof.

Mr. OVERTON. Mr. President, I send to the desk an amendment to the House bill, which I ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 1, line 12, after the period, it is proposed to add the following:

*Provided,* That the State of Louisiana, or any agency or authority created by it, may construct the bridge herein authorized.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. OVERTON. I now move that Senate bill 4002 be indefinitely postponed.

The motion was agreed to.

#### PEARL RIVER BRIDGE, MONTICELLO, MISS.

The bill (S. 4095) granting the consent of Congress to the State Highway Commission of Mississippi to construct, maintain, and operate a free highway bridge across Pearl River at or near Monticello, Miss., was announced as next in order.

Mr. McKELLAR. Mr. President, this bill is similar to House bill 11738, Calendar No. 1902. I ask that the House bill be substituted for the Senate bill, and if the House bill shall be passed I will then move that the Senate bill be indefinitely postponed.

The PRESIDENT pro tempore. The Senator from Tennessee asks unanimous consent that the Senate proceed to the consideration of House bill 11738 in lieu of Senate bill 4095.

There being no objection, the bill (H. R. 11738) granting the consent of Congress to the State Highway Commission of Mississippi to construct, maintain, and operate a free highway bridge across Pearl River at or near Monticello, Miss., was considered, ordered to a third reading, read the third time, and passed.

Mr. McKELLAR. I now move that Senate bill 4095 be indefinitely postponed.

The motion was agreed to.

#### WEST PEARL RIVER BRIDGE, TALISHEEK, LA.

The bill (S. 4276) to revive and reenact the act entitled "An act granting the consent of Congress to the Lamar Lumber Co. to construct, maintain, and operate a railroad bridge across the West Pearl River, at or near Talisheek, La.," approved June 17, 1930, was announced as next in order.

Mr. LOGAN. Mr. President, the House has passed House bill 11476, which is Calendar No. 1899, a similar bill; so I ask unanimous consent that the House bill be substituted for the Senate bill and passed, and if that shall be done I will then move that the Senate bill be indefinitely postponed.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The bill (H. R. 11476) to revive and reenact the act entitled "An act granting the consent of Congress to the Lamar Lumber Co. to construct, maintain, and operate a railroad bridge across the West Pearl River, at or near Talisheek, La.," approved June 17, 1930, was considered, ordered to a third reading, read the third time, and passed.

Mr. LOGAN. I now move that Senate bill 4276 be indefinitely postponed.

The motion was agreed to.

#### WABASH RIVER BRIDGE, MEROM, IND.

The Senate proceeded to consider the bill (S. 4271) to extend the times for commencing and completing the construction of a bridge across the Wabash River at or near Merom, Sullivan County, Ind., which had been reported from the Committee on Commerce with an amendment, in section 1, page 2, line 2, after "April 30", to strike out "1935" and insert "1936", so as to make the bill read:

*Be it enacted, etc.,* That the times for commencing and completing the construction of a bridge across the Wabash River, at or near Merom, Sullivan County, Ind., authorized to be built by Sullivan County, Ind., or any board or commission of said county which is or may be created or established for the purpose, by an act of Congress approved February 10, 1932, heretofore extended by an act of Congress approved April 30, 1934, and June 27, 1935, are hereby extended 1 and 3 years, respectively, from April 30, 1936.

Sec. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### PRELIMINARY EXAMINATION OF DELAWARE RIVER

The bill (S. 4355) to authorize a preliminary examination of the Delaware River with a view to the control of its floods was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made of the Delaware River with a view to the control of its floods, in accordance with the provisions of section 3 of an act entitled "An act to provide for the control of the floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

#### YAKIMA AND WALLA WALLA RIVERS, WASH.

The bill (H. R. 8414) to provide a preliminary examination of the Yakima River and its tributaries and the Walla Walla River and its tributaries in the State of Washington, with a view to the control of their floods, was considered, ordered to a third reading, read the third time, and passed.

#### JOSEPHINE RUSSELL

The Senate proceeded to consider the bill (S. 4416) for the relief of Josephine Russell, which had been reported from the Committee on Claims with an amendment to add at the end of the bill a proviso, so as to make the bill read:

*Be it enacted, etc.,* That the Employees' Compensation Commission be, and it is hereby, authorized and directed to receive and determine the claim of Josephine Russell for disability resulting from injuries sustained by her on or about June 19, 1933, while employed by the Bureau of Indian Affairs, Department of the Interior, as a nurse in the Pine Ridge Hospital, Pine Ridge S. Dak., under the provision of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, except that the time limitation in sections 15 and 20, inclusive, of said act are hereby waived: *Provided,* That no benefits shall accrue prior to the approval of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### JOHN C. CROSSMAN

The bill (S. 3191) for the relief of John C. Crossman was announced as next in order.

Mr. McKELLAR. Let that go over.

Mr. SHEPPARD. Mr. President, the records show that the beneficiary of this bill, John C. Crossman, was a sergeant in the National Guard, regularly on duty at a Federal camp. He was called into a supply camp to assist in lighting a gasoline lamp which was supplied by the Government. This particular lamp was an old-style affair. He worked with the lamp for some time, and was pouring some gasoline into it when it exploded. There was a considerable amount of explosives in the camp; and in order to prevent a further explosion, and avoid injury or death to a number of other men, Crossman courageously picked up the lantern

and carried it outside. The result was that he was severely and permanently burned, and will always suffer disability. The committee believes this to be a very meritorious bill.

Mr. McKELLAR. Mr. President, I observe that the Secretary of War reports, in part, as follows:

As the National Guard is in the State service, and not in the Federal service, when participating in field training, there is no provision of law under which further compensation may be paid by the Federal Government in Sergeant Crossman's case, or in similar cases of injury to members of the National Guard. Therefore the enactment of this legislation would single out an individual of a class for preferential treatment not accorded others of that class, to which the War Department is opposed, and would set up a precedent for the payment of all similar claims.

Mr. SHEPPARD. This was such an unusual act of heroism that the enactment of the bill could hardly be considered a precedent. Besides, this is the usual objection which the War Department makes to bills of this character.

Mr. McKELLAR. Well, Mr. President, the Senator from Texas always has an undue influence over me, and I am going to withdraw any objection.

The PRESIDING OFFICER (Mr. TRUMAN in the chair). Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Claims, with an amendment, on page 1, line 4, after the word "money", to strike out "in the Treasury not otherwise appropriated" and insert "appropriated for the support of the National Guard for the current fiscal year", so as to make the bill read:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money appropriated for the support of the National Guard for the current fiscal year, to Sgt. John C. Crossman the sum of \$5,000 in full settlement of all claims against the Government for injuries sustained by him while in the performance of his duties at Camp Hulen, Palacios, Tex., August 10, 1933, caused by the explosion of a gasoline lantern: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### PURCHASERS OF LAND IN BROOKLAWN, N. J.

The bill (H. R. 11573) to amend the act entitled "An act for the relief of certain purchasers of lands in the borough of Brooklawn, State of New Jersey", approved August 19, 1935, was considered, ordered to a third reading, read the third time, and passed.

C. T. HIRD

The Senate proceeded to consider the bill (S. 3441) for the relief of C. T. Hird, which had been reported from the Committee on Claims with amendments, on page 1, line 6, after the numerals "\$839.22", to strike out "together with interest at the rate of 6 per centum per annum from May 1, 1927", and at the end of the bill to add a proviso, so as to make the bill read:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to C. T. Hird, of Dubuque, Iowa, the sum of \$839.22, in full satisfaction of the claim of said C. T. Hird against the United States for a refund of income taxes erroneously assessed against him and paid by him under protest, which claim was disallowed on the ground of failure to file within the statutory period of limitation: *Provided,* That no part of the amount appropriated in this act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### WABASH RIVER BRIDGE, INDIANA

The bill (H. R. 11685) to extend the times for commencing and completing the construction of a bridge across the Wabash River at or near Merom, Sullivan County, Ind., was considered, ordered to a third reading, read the third time, and passed.

#### SAN DIEGO RIVER, CALIF.

The bill (H. R. 10583) to authorize a preliminary examination of the San Diego River and its tributaries in the State of California, with a view to the control of its floods, was considered, ordered to a third reading, read the third time, and passed.

#### EXAMINATION OF CREEKS IN CALIFORNIA

The bill (H. R. 11793) to authorize a preliminary examination of various creeks in the State of California, with a view to the control of their floods, was considered, ordered to a third reading, read the third time, and passed.

#### LOANS SECURED BY NATIONAL FOREST RESERVES RECEIPTS

The Senate proceeded to consider the bill (S. 3762) to authorize the Reconstruction Finance Corporation to make loans secured by receipts on account of national forest reserves, and for other purposes, which had been reported from the Committee on Banking and Currency with an amendment, on page 3, line 5, after the word "expended", to strike out the words "as the legislature of such State or Territory may prescribe, for the payment of general expenses, bonds, or other indebtedness of any county, or of any school district or other political subdivision thereof, to which any such funds may be paid under existing law" and to insert in lieu thereof the words "by any county, school district, or other political subdivision to which any such funds are payable for the repayment of any loan made to it by the Reconstruction Finance Corporation under this act", so as to make the bill read:

*Be it enacted, etc.,* That the Reconstruction Finance Corporation is authorized to make loans out of the funds of the Corporation to any county, or to any school district or other political subdivision thereof, in any State or Territory in which is situated national-forest reserves, such loans to be secured by the assignment or pledge to the Reconstruction Finance Corporation of the future annual receipts of such county, school district, or other political subdivision on account of national-forest reserves situated therein, or by bonds issued under authority of State law secured by such receipts: *Provided,* That no such loan shall be made unless (1) the county, school district, or political subdivision applying for the loan is authorized by the laws of the State or Territory in which it is located to use such receipts as security for such loan; (2) at least 40 percent of the area of such county, school district, or other political subdivision is in Federal ownership; and (3) the loan is amortized over a period of not to exceed 20 years: *Provided further,* That no such loan shall be made in an amount in excess of 10 times the amount of the average future annual share of such county, school district, or other political subdivision, in such receipts during the period of the loan, as estimated by the Department of Agriculture. Each such loan shall bear interest at a rate not to exceed 4 percent per annum. Notwithstanding any other provision of law, in any case in which a loan is made pursuant to the provisions of this act, the Secretary of the Treasury is authorized and directed to pay to the Reconstruction Finance Corporation the amount of all such receipts which are due to the county, school district, or other political subdivision making the loan until the full amount of the principal and interest of such loan is paid.

Sec. 2. In addition to the purposes for which the funds payable under existing law to any State or Territory on account of national-forest reserves situated in such State or Territory may be expended, such funds may hereafter be expended by any county, school district, or other political subdivision to which any such funds are payable for the repayment of any loan made to it by the Reconstruction Finance Corporation under this act.

Mr. McKELLAR. Mr. President, may we have an explanation of the bill?

Mr. FLETCHER rose.

Mr. McNARY. Mr. President, is this the bill the Senator from Florida stated earlier he desired to have taken up under a special order?

Mr. FLETCHER. No; that bill has been passed. This is not the same bill.

This bill would authorize the Reconstruction Finance Corporation to make loans to counties, school districts, and political subdivisions of States or Territories in which are situated national forest reserves, such loans to be secured by the assignment or pledge to the Corporation of the future annual receipts on account of national forest reserves situated therein, or by bonds issued under authority of State law secured by such receipts.

The fiscal situation of numerous counties, cities, school districts, and other political subdivisions of States and Territories is somewhat as follows. In some instances, these national forest reserves impose tremendous burdens upon some political subdivisions, for the reason that all of these reserves are tax exempt, thereby throwing a tremendous burden upon other taxable properties.

On the other hand, the Federal Government has pledged a certain percentage of the future income which will be derived from these reserve areas to the local tax district. Under the provisions of this bill, the local taxing unit will be permitted to borrow from the Reconstruction Finance Corporation by pledging those future revenues, thereby making it possible for the local subdivisions to avoid the levying of confiscatory taxes on what little private property remains in the district, and at the same time adequately support its schools and other indispensable public services.

On page 3 the committee recommends the adoption of its amendment, which would restrict the use to which these funds, payable under existing law, may be put, and provides that the additional purposes for which such funds might be expended should be limited to the repayment of loans made by the Reconstruction Finance Corporation under the act.

Mr. McKELLAR. Mr. President, the present law does not permit any loans to counties or other subdivisions of States, does it?

Mr. FLETCHER. Not in circumstances like those of this case.

Mr. McKELLAR. Will not this just open the door to all such loans?

Mr. FLETCHER. Loans are now made to districts, counties, and cities, but under different circumstances.

Mr. McKELLAR. Loans are authorized now to counties and cities?

Mr. FLETCHER. Yes.

Mr. McKELLAR. I did not know the law provided for such loans. What is the nature of the security in this case?

Mr. FLETCHER. The bill provides—

No such loan shall be made unless (1) the county, school district, or political subdivision applying for the loan is authorized by the laws of the State or Territory in which it is located to use such receipts as security for such loan; (2) at least 40 percent of the area of such county, school district, or other political subdivision is in Federal ownership; and (3) the loan is amortized over a period of not to exceed 20 years.

There are specific instances to which the measure would apply, which the Senator from Minnesota [Mr. BENSON] can give.

Mr. McNARY. Mr. President, I do not understand clearly the position of the Senator from Florida because of the confusion in the Chamber. Was this bill reported favorably by the committee?

Mr. FLETCHER. Yes; with the amendment I have suggested.

Mr. McNARY. Was it brought here by the Reconstruction Finance Corporation?

Mr. FLETCHER. No; it is not brought here by them. They appeared before the committee and we discussed it with them and they are agreeable to it.

Mr. McNARY. Do they favor the enactment of the bill?

Mr. FLETCHER. Yes; they are favorable to it. They appeared before the committee and we had a hearing on it. The officials of the Reconstruction Finance Corporation are agreeable to it; they raise no objection to it.

The Senator from Minnesota [Mr. BENSON] knows of specific instances where this relief is very much needed and would apply, and I yield to him.

Mr. BENSON. Mr. President, if any of the Senators have questions regarding the operation of the measure, I should be glad to answer, if I can.

Mr. McNARY. I think I am in favor of the general purpose of the bill. I simply desire to know whether the Reconstruction Finance Corporation are asking for an enlargement of their activities. Are the officials of the Reconstruction Finance Corporation bringing the measure here, or who promoted the proposed legislation?

Mr. BENSON. I introduced the bill at the request of county officials in Cook County, Minn., the landed area of which has been more than 60 percent taken over by the National Government for national-forest purposes, and the county now finds itself in an embarrassing position, because land which was formerly taxed is now owned by the Federal Government. Awaiting the time when they will receive returns from this forest area, they want to pledge those returns and borrow from the Reconstruction Finance Corporation, if the assets seem sufficient.

Mr. McNARY. Do those unfortunate communities desire and propose to reforest these lands and mortgage the future income from sales of timber?

Mr. BENSON. In the specific case of Cook County, prior to the time when the Federal Government took over a large portion of the county, the county built roads through this wilderness area and erected schools; but during the past few years more than 60 percent of the area has been taken over by the Federal Government, as I have said, and the Federal Government has pledged to the county 25 percent of the returns, as they have in the cases of many other counties and many other States. I think 38 States are similarly situated. How many counties in those States are similarly situated I do not know.

Mr. McNARY. Mr. President, in years past I have made some study of the forest problem, and I know of the conditions that obtain in the Great Lakes States; and I also know that such conditions are not limited to those States, but extend to New England, to the Southern States, and to some of the Western States. I have no objection to the bill. I was only anxious to know the inspiration back of the movement to utilize this security for a loan. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### STUDY OF FUTURE NEEDS OF THE PANAMA CANAL

The Senate proceeded to consider the joint resolution (H. J. Res. 412) to authorize an investigation of the means of increasing capacity of the Panama Canal for future needs of interoceanic shipping, and for other purposes, which was read, as follows:

*Resolved, etc.,* That the Governor of the Panama Canal is hereby authorized and directed to investigate the means of increasing the capacity of the Panama Canal for future needs of interoceanic shipping, and to prepare designs and approximate estimates of cost of such additional locks or other structures and facilities as are needed for the purpose, and to make progress reports from time to time of the results thereof.

Mr. McNARY. Mr. President, I do not wish to assume an attitude of opposition, but I desire some information regarding this measure. We had before us recently a bill affecting Panama Canal tolls. Has this any connection with that measure, or does it provide for a mere study?

Mr. DUFFY. Mr. President, this measure was introduced at the request of the Governor of the Panama Canal Zone, and other authorities in the Canal Zone, but it has no connection whatever with Canal tolls. It merely provides an authorization so that a study may be made from time to time and suitable drawings prepared, so that when the question comes before Congress as to whether there need be or should be enlargement, for instance, of the Canal, information will be available. I think there is no objection to it.

Mr. McNARY. I have no objection.

The PRESIDING OFFICER. The question is on the third reading of the joint resolution.

The joint resolution was ordered to a third reading, read the third time, and passed.

#### BILL PASSED OVER

The bill (H. R. 6719) to amend the Canal Zone Code was announced as next in order.

Mr. REYNOLDS. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

#### DECORATIONS OF OFFICERS AND ENLISTED MEN OF THE ARMY

The Senate proceeded to consider the bill (S. 4391) authorizing certain officers and enlisted men of the United States Army to accept such medals, orders, diplomas, decorations, and photographs as have been tendered them by foreign governments in appreciation of services rendered, which had been reported from the Committee on Military Affairs with an amendment, on page 2, line 9, after the word "Corlett" and the comma, to insert the words "Major John A. Weeks", so as to make the bill read:

*Be it enacted, etc.,* That the following-named officers and enlisted men of the United States Army are hereby authorized to accept such medals, orders, diplomas, decorations, and photographs as have been tendered them by foreign governments in appreciation of services rendered:

Maj. Gen. George S. Simonds, Maj. Gen. Thomas Q. Ashburn, Brig. Gen. Alfred T. Smith, Lt. Col. Joen E. Ardrey, Lt. Col. David E. Cain, Lt. Col. John A. Considine, Lt. Col. Roland L. Gaugler, Lt. Col. Hans R. W. Herwig, Lt. Col. Dennis E. McCunniff, Lt. Col. Troy H. Middleton, Lt. Col. Lathe B. Row, Lt. Col. Clinton W. Russell, Lt. Col. Otis K. Sadtler, Lt. Col. Clemens W. McMillan, Maj. Elbridge Colby, Maj. Charles H. Corlett, Maj. John A. Weeks, Capt. Robert M. Elchelsdoerfer, and Capt. James H. Walker.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### THE AIR CORPS RESERVE

The bill (S. 4309) to increase the efficiency of the Air Corps Reserve was announced as next in order.

Mr. SHEPPARD. Mr. President, I ask that this bill be recommitted to the Senate Committee on Military Affairs for further study, together with another bill relating to the same subject, being the bill (S. 3974) to amend the act entitled "An act to provide more effectively for the national defense by increasing the efficiency of the Air Corps of the Army of the United States, and for other purposes."

I also ask that House bill 11920, to increase the efficiency of the Air Corps, now on the Senate calendar, be recommitted to the Senate Committee on Military Affairs.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and the bills referred to are recommitted to the Committee on Military Affairs.

#### NATIONAL CEMETERY AT FORT BLISS, TEX.

The Senate proceeded to consider the bill (S. 4265) to authorize the Secretary of War to set apart as a national cemetery certain lands of the United States Military Reservation of Fort Bliss, Tex.

Mr. McKELLAR. Mr. President, may I ask the Senator from Texas how much it would cost to carry out the purposes of the bill?

Mr. SHEPPARD. The total cost would be about \$25,000. The land will cost nothing, because it is already owned by the Government.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That the Secretary of War be, and he is hereby, authorized to set aside in the United States Military Reservation of Fort Bliss, Tex., a plot of land which shall include the existing post cemetery with such boundaries as he may prescribe therefor as a national cemetery, which hereafter shall be cared for and maintained as a national cemetery under the laws relating to the same.

#### HOURS OF POSTAL EMPLOYEES

The Senate proceeded to consider the bill (H. R. 10193) to amend the act to fix the hours of duty of postal employees, which had been reported by the Committee on Post Offices

and Post Roads with an amendment, on page 1, line 9, to strike out the word "weekly", so as to make the bill read:

*Be it enacted, etc.,* That Public Law No. 275, entitled "An act to fix the hours of duty of postal employees, and for other purposes", approved August 14, 1935, shall be construed in its application to those employees of the mail-equipment shops covered therein to mean that the 40 hours per week of labor established by the act shall be compensated for at the same rate which had theretofore been allowed by law for 44 hours per week.

Sec. 2. This act shall be retroactive in effect to and including October 1, 1935.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

#### COMPENSATION OF CERTAIN RAILWAY MAIL EMPLOYEES

The bill (H. R. 10267) to provide for adjusting the compensation of division superintendents, assistant division superintendents, assistant superintendents at large, assistant superintendent in charge of car construction, chief clerks, assistant chief clerks, and clerks in charge of sections in offices of division superintendents in the Railway Mail Service, to correspond to the rates established by the Classification Act of 1923, as amended, was announced as next in order.

Mr. COPELAND. Mr. President, will the Senator from Tennessee tell us what is the significance of this bill? Will its passage mean new employees, or merely adjustment of compensation? I take it that it provides for adjustment of compensation.

Mr. McKELLAR. Mr. President, the bill is for the purpose of adjusting the compensation of division superintendents, assistant division superintendents, assistant superintendent at large, and so forth.

Mr. COPELAND. So as to correspond with the Classification Act?

Mr. McKELLAR. Absolutely.

Mr. COPELAND. I have no objection. I think the bill should pass.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Post Offices and Post Roads, with an amendment, on page 1, line 3, after the word "General", to strike out "with the concurrence of the Civil Service Commission", so as to make the bill read:

*Be it enacted, etc.,* That the Postmaster General is authorized and directed to adjust the compensation of division superintendents, assistant division superintendents, assistant superintendents at large, assistant superintendent in charge of car construction, chief clerks, assistant chief clerks, and clerks in charge of sections in offices of division superintendents, Railway Mail Service, to correspond, so far as may be practicable, to the rates established by the Classification Act of 1923, as amended for positions in the departmental service in the District of Columbia. Any appropriation now or hereafter available for the payment of the compensation of employees in the Railway Mail Service shall be available for payment of compensation in accordance with the rates adjusted in accordance with the provisions of this act.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

#### AMENDMENT OF EMERGENCY FARM MORTGAGE ACT OF 1933

The bill (H. R. 9484) to amend section 36 of the Emergency Farm Mortgage Act of 1933, as amended, was announced as next in order.

Mr. McKELLAR. Mr. President, this seems to be an important bill. I do not see the Senator from Florida [Mr. FLETCHER] in the Chamber at the moment.

Mr. McNARY. Mr. President, I have just obtained the report of the committee, which I think explains the bill, and I ask that the clerk may read it. I think the bill will make a commendable revision of the act.

The PRESIDING OFFICER. Without objection, the clerk will read the report.

The report (No. 1828) was read, as follows:

The Committee on Banking and Currency, to whom was referred the bill (H. R. 9484) to amend section 36 of the Emergency Farm Mortgage Act of 1933, as amended, having considered the same, report favorably thereon with an amendment and as amended recommend that the bill do pass.

The amendment merely restores substantially the language of existing law that the operations under the bill are not intended to bring additional lands into production. The language in the House bill was that "the terms of this act shall not permit additional or new land to be brought into production."

The statement as to the purposes of the bill, contained in House Report No. 2268 to accompany H. R. 9484, follows:

**"STATEMENT"**

"This bill changes section 36 of the Emergency Farm Mortgage Act of 1933, as amended, in the following respects:

"(1) Present act authorizes the Reconstruction Finance Corporation to make loans to irrigation districts, whether or not they have any indebtedness, for the purpose of purchasing additional water rights, appurtenances, or improve the project. Drainage, levee, and reclamation districts by reason of a technical interpretation of the legal division of the Reconstruction Finance Corporation are barred from securing loans for the above purposes. This amendment will clarify the act and make it possible for drainage, levee, and reclamation districts to secure loans for repairing levees, cleaning ditches, construct and repair pumping stations, or make any other improvements that are desirable for the proper functioning of the project.

"(2) Present act also limits loans to districts that have completed projects. There are a few districts in a number of States that are not entirely completed. This amendment authorizes loans to districts that do not have completed projects and for the purchase of partially completed projects. The present requirement, however, that no additional lands may be brought into production remains intact.

"It will only take a small amount of the \$125,000,000 already appropriated to take care of the few projects that will qualify under the Pierce bill."

Mr. McKELLAR. Mr. President, that seems to be an excellent explanation of the measure. I have no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Banking and Currency with an amendment, on page 2, line 20, after the word "Provided" and the comma, to strike out "That the terms of this act shall not permit additional or new land to be brought into production" and insert in lieu thereof "That it is not intended that additional lands will thereby be brought into production", so as to make the bill read:

*Be it enacted, etc., That the first two sentences of section 36 of the Emergency Farm Mortgage Act of 1933, as amended, are amended to read as follows:*

"The Reconstruction Finance Corporation is authorized and empowered to make loans as hereinafter provided, in an aggregate amount not exceeding \$125,000,000, including commitments and disbursements heretofore made, to or for the benefit of drainage districts, levee districts, levee and drainage districts, irrigation districts, and similar districts, mutual nonprofit companies and incorporated water users' associations duly organized under the laws of any State or Territory, and to or for the benefit of political subdivisions of States and Territories which have or propose to purchase or otherwise acquire projects or portions thereof devoted chiefly to the improvement of lands for agricultural purposes. Such loans shall be made for the purpose of enabling any such district, political subdivision, company, or association (hereafter referred to as the "borrower") to reduce and refinance its outstanding indebtedness incurred in connection with any such project; or, whether or not it has any such indebtedness, to purchase, acquire, construct, or complete such a project or any part thereof, or to purchase or acquire additional drainage, levee, or irrigation works, or property, rights, or appurtenances in connection therewith, and to repair, extend, or improve any such project or make such additions thereto as are consonant with or necessary or desirable for the proper functioning thereof or for the further assurance of the ability of the borrower to repay its loan: *Provided*, That it is not intended that additional lands will thereby be brought into production.

SEC. 2. Such section is further amended by striking out the sentence therein which reads as follows: "When any loan is authorized pursuant to the provisions of this section and it shall then or thereafter appear that repairs and necessary extensions or improvements to the project of such district, political subdivision, company, or association are necessary or desirable for the proper functioning of its project or for the further assurance of its ability to repay such loan, and if it shall also appear that such repairs and necessary extensions or improvements are not designed to bring new lands into production, the corporation, within the limitation as to total amount provided in this section, may make

an additional loan or loans to such district, political subdivision, company, or association for such purpose or purposes."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

BANKERS' RESERVE LIFE CO. AND WISCONSIN NATIONAL LIFE INSURANCE CO.

Mr. DUFFY. Mr. President, I ask the Chair to lay before the Senate House bill 3155.

The PRESIDING OFFICER laid before the Senate the bill (H. R. 3155) to confer jurisdiction upon the Court of Claims of the United States to hear, determine, and render judgment upon the claims of the Bankers Reserve Life Co., of Omaha, Nebr., and the Wisconsin National Life Insurance Co., of Oshkosh, Wis., which was read twice by its title.

Mr. DUFFY. Mr. President, the Senate sometime ago passed an identical bill, introduced by the Senator from Nebraska and myself. The House has now messaged to the Senate its own bill under its own number, and as I have said, the House bill is identical with the Senate bill. I ask that the House bill be considered and passed at this time.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

BADGE OF UNITED STATES DAUGHTERS OF 1812

Mr. McADOO. Mr. President, I ask unanimous consent for the immediate consideration of House bill 11562, which provides for the renewal of patent no. 25909, relating to the badge of the United States Daughters of 1812.

The PRESIDING OFFICER. Is there objection to the request of the Senator from California?

There being no objection the Senate proceeded to consider the bill (H. R. 11562) to renew patent no. 25909 relating to the badge of the United States Daughters of 1812, which was ordered to a third reading, read the third time, and passed.

CAPT. PERCY WRIGHT FOOTE, UNITED STATES NAVY

Mr. BYRD. Mr. President, I ask unanimous consent to recur to Calendar No. 1816, being House bill 7092. I understand that the Senator from Tennessee [Mr. McKELLAR], who objected to the bill when it was reached on the calendar, has withdrawn his objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 7092) for the relief of Capt. Percy Wright Foote, United States Navy, which had been reported from the Committee on Naval Affairs with an amendment, on page 2, line 5, after "admiral" and the colon, to strike out "Provided, That in the event of his selection and subsequent promotion he shall be carried as an additional number in grade" and to insert in lieu thereof the following: "Provided, That he shall remain on the active list of the Navy in his present rank until the report of the next senior selection board of the Navy shall have been approved: *Provided further*, That if selected for promotion he shall be retained in his present rank on the active list until promoted to the rank of rear admiral, and in the event of his selection and subsequent promotion he shall be carried as an additional number in grade", so as to make the bill read:

*Be it enacted, etc., That in recognition of his having been wounded in line of duty and of his "exceptionally meritorious service" in combat with the enemy during the World War when in command of the U. S. S. President Lincoln and when his conduct and bearing were found to have been "in accord with the best traditions of the naval service" and for which he was awarded the Navy Distinguished Service Medal, the line selection board of the Navy, as provided by the act of August 29, 1916, as amended (39 Stat. 578, 41 Stat. 319; U. S. C., title 34, sec. 292), in its consideration of the officers eligible for consideration for selection for promotion to the grade of rear admiral may base its recommendation in the case of Capt. Percy Wright Foote upon his comparative fitness for the shore duties of the grade of rear admiral: *Provided*, That he shall remain on the active list of the Navy in his present rank until the report of the next senior selection board of the Navy shall have*

been approved: *Provided further*, That if selected for promotion he shall be retained in his present rank on the active list until promoted to the rank of rear admiral, and in the event of his selection and subsequent promotion he shall be carried as an additional number in grade.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

#### UNITED STATES DISTRICT COURT, WESTERN DISTRICT OF OKLAHOMA

The Senate proceeded to consider the bill (S. 4353) to provide for the establishment of a term of the District Court of the United States for the Western District of Oklahoma at Shawnee, Okla., which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That a term of the District Court of the United States for the Western District of Oklahoma shall be held annually at Shawnee, Okla., on the first Monday in October: *Provided*, That suitable rooms and equipment for holding court at Shawnee shall be furnished without expense to the United States.

#### REOPENING OF CERTAIN CASES IN COURT OF CLAIMS

The Senate proceeded to consider the bill (S. 4444) directing the Court of Claims to reopen certain cases and to correct the errors therein, if any, by additional judgments against the United States, which had been reported from the Committee on Claims with amendments.

The first amendment was, in section 1, page 2, line 6, after "(Virginia)" and the semicolon, to insert "William G. Maupin, Jr., and others (now represented by George W. Maupin, as administrator and in his own right, E. Griffith Maupin, S. Dawson Maupin, Alliene Maupin, and Ruth Maupin, all of Portsmouth, Va.) docket no. 34681"; and on the same page, line 25, after "(Stat. 207-208)", to insert "and taken for public use by the United States on September 20, 1918, by authority of acts of Congress of May 16, 1918 (40 Stat. 550-551), and June 4, 1918 (40 Stat. 595), and an Executive order of the President dated June 18, 1918", so as to make the section read:

*Be it enacted, etc.*, That the Court of Claims of the United States be, and it is hereby, authorized and directed to reopen the following just-compensation cases on its docket, heretofore disposed of by said court, to wit: *Willard R. Cook & Co., Inc., v. United States* (no. 33984); *A. E. Krise, receiver of the Fidelity Land & Investment Corporation (formerly Fidelity Land & Investment Corporation), v. United States* (no. 33988); *Pine Beach Hotel Corporation (now represented by Charles H. Consolvo and A. E. Campe, its receivers) and others v. United States* (no. 34049); *Harry L. Lowenberg and others v. United States* (no. 34727); *Norfolk-Hampton Roads Co. v. United States* (no. 34751) (all of Norfolk, Va.); *William G. Maupin, Jr., and others* (now represented by George W. Maupin, as administrator and in his own right, E. Griffith Maupin, S. Dawson Maupin, Alliene Maupin, and Ruth Maupin, all of Portsmouth, Va.), docket no. 34681; and to ascertain and determine from the special findings of fact as therein made and recorded by said court, and with due regard to the requirements of the act applicable thereto under which such properties were taken and the fifth amendment to the Constitution of the United States, as defined by the Supreme Court in the case of *Seaboard Air Line Railway v. United States* (261 U. S. 299), and other like cases, the amount of just compensation by way of interest, if any, at the rate of 6 percent per annum, alleged to be due and owing by the United States to the parties plaintiff from the date of taking to the time of the payment to them of the original judgments in each of said cases for their lands situate at Hampton Roads, Va., and taken for public use by the United States on June 28, 1917, by authority of the act of Congress of June 15, 1917 (ch. 29, 40 Stat. 207-208), and taken for public use by the United States on September 20, 1918, by authority of acts of Congress of May 16, 1918 (40 Stat. 550-551), and June 4, 1918 (40 Stat. 595), and an Executive order of the President dated June 18, 1918.

The amendment was agreed to.

The next amendment was, in section 4, page 4, line 17, after "1917", to insert "and September 20, 1918, respectively", so as to make the section read:

SEC. 4. Before any money shall be paid to any of the parties plaintiff designated herein in satisfaction of a judgment obtained against the United States under the provision of this act, the Attorney General of the United States shall certify that all actions at law or suits in equity instituted by any such party plaintiff

against the United States, or any officer of the United States, have been dismissed and a quitclaim deed has been delivered, conveying and releasing to the United States all the right, title, and interest of such party plaintiff in the said property taken for public use by the United States on June 28, 1917, and September 20, 1918, respectively.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### ORDER FOR FURTHER CONSIDERATION OF THE CALENDAR

Mr. McNARY. Mr. President, I observe that the Senator from Arkansas [Mr. ROBINSON] has returned to the Chamber, and I am going to suggest to him and others, in connection with the unfinished business, that the unanimous-consent agreement be modified so as to extend the time this afternoon sufficiently to conclude the consideration of the bills on the calendar.

There are only about five more pages of the calendar unconsidered. We have not considered the bills on the calendar for several weeks; and inasmuch as the Senate is in a calendar mood this afternoon, I think it would be well to go forward to complete it. I hope the Senator may arrange to do so.

Mr. ROBINSON. Mr. President, I think it will be convenient to take the action proposed by the Senator from Oregon. I understand some conferences are in progress on the so-called deportation bill; and I ask unanimous consent that the agreement entered into yesterday afternoon be now modified as follows:

That when the hour of 2 o'clock shall arrive, the unfinished business be again temporarily laid aside, and that the Senate proceed with the call of the calendar for unobjected bills until that order of business shall have been completed.

Mr. McNARY. I hope that order may be entered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

#### BILL PASSED OVER

The bill (H. R. 4148) for the relief of the Thomas Marine Railway Co., Inc., was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

#### M. WARING HARRISON

The bill (H. R. 2622) for the relief of M. Waring Harrison was considered, ordered to a third reading, read the third time, and passed.

#### PATRICK J. LEAHY

The bill (H. R. 4362) for the relief of Patrick J. Leahy was considered, ordered to a third reading, read the third time, and passed.

#### THELMA L. EDMUNDS AND OTHERS

The bill (H. R. 5974) for the relief of Thelma L. Edmunds, Mrs. J. M. Padgett, Myrtis E. Posey, Mrs. J. D. Mathis, Sr., Fannie Harrison, Annie R. Colgan, and Grace Whitlock, was considered, ordered to a third reading, read the third time, and passed.

#### MAUD KELLEY THOMAS

The Senate proceeded to consider the bill (S. 3824) for the relief of Maud Kelley Thomas, which had been reported from the Committee on Claims with an amendment, to strike out all after the enacting clause and to insert:

That the Secretary of the Navy be, and he is hereby, authorized and directed to pay, out of the current appropriation, "Pay subsistence, and transportation, Navy", to Maud Kelley Thomas, sister of Orloff Allen Kelley, late chief machinist's mate, United States Navy, an amount equal to 6 months' pay at the rate said Orloff Allen Kelley was receiving at the date of his death: *Provided*, That the said Maud Kelley Thomas establish to the satisfaction of the Secretary of the Navy that she was actually dependent upon her brother, Orloff Allen Kelley, at the time of the latter's death, and the determination of such fact by the Secretary of the Navy shall be final and conclusive upon the accounting officers of the Government.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

## MRS. FOSTER M'LYNN

The Senate proceeded to consider the bill (S. 3850) for the relief of Mrs. Foster McLynn, which had been reported from the Committee on Claims with amendments.

## DEPORTATION OF CRIMINAL ALIENS

Mr. KING. Mr. President, may I make a suggestion with regard to the unfinished business?

Mr. ROBINSON. Mr. President, I have already made an announcement with respect to the matter the Senator has in mind.

Mr. KING. It is understood by the proponents of the so-called deportation bill and those who have been discussing the question on the other side that the bill may go over until Monday, and that meanwhile we shall probably come to an agreement.

Mr. McNARY. Mr. President, what was the remark of the Senator from Utah?

Mr. KING. I merely suggested that the proponents of the so-called deportation bill and those who have been speaking in opposition to it have agreed that the matter may go over until Monday.

Mr. REYNOLDS. Mr. President, I may say, in line with what my colleague the Senator from Utah has said, that we are going to meet tomorrow and Monday in an endeavor to get the matter straightened out to the satisfaction of the proponents of the bill and those opposed to the bill.

Mr. DAVIS. Mr. President, some parts of the bill are perfectly agreeable to everyone. There are only two sections of the bill on which there is any disagreement. After discussing the matter with the Senator from Utah [Mr. KING], the Senator from Massachusetts [Mr. COOLIDGE], and the Senator from North Carolina [Mr. REYNOLDS], we have decided to hold meetings tomorrow and on Monday morning, and that probably then we shall come to an agreement on the bill and probably end the discussion on it.

Mr. REYNOLDS. It is understood, however, that the bill is to come before the Senate again on Monday.

Mr. KING. Yes, Mr. President.

Mr. DAVIS. That is correct.

Mr. ROBINSON. Mr. President, I will state that that has already been arranged; and when the call of the calendar shall have been completed, it is my intention to move a recess or adjournment until Monday, unless there is objection.

Mr. COPELAND. Mr. President, at the proper time I desire to bring up the conference report on the Army appropriation bill.

Mr. ROBINSON. I understand that. I also understand that the Senator from Georgia wishes to bring something before the Senate. The unfinished business has been temporarily laid aside.

## MRS. FOSTER M'LYNN

The PRESIDING OFFICER. The clerk will state the amendments reported by the Committee on Claims.

The amendments were on page 1, line 6, after the words "sum of", to strike out "\$125.77" and insert "\$110", and at the end of the bill to add a proviso, so as to make the bill read:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Foster McLynn, of Portland, Oreg., the sum of \$110, in full satisfaction of her claim against the United States arising out of damages to her summer home in Mount Hood National Forest, which was struck by rocks thrown by blasting operations carried on by members of the Civilian Conservation Corps in connection with the Lady Creek water project, in March or April 1933: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

## BILL PASSED OVER

The bill (S. 2609) for the relief of Charles G. Johnson, State treasurer of the State of California, was announced as next in order.

Mr. JOHNSON. I will ask that that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

## J. W. HEARN, JR.

The bill (H. R. 2623) for the relief of J. W. Hearn, Jr., was read, considered, ordered to a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That the United States Employees' Compensation Commission is hereby authorized and directed to receive and consider under the provisions of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, the claim of J. W. Hearn, Jr., former employee of the Isthmian Canal Commission, for injury sustained by him while in the performance of his duties as a foreman on the construction of Colon breakwater on July 29, 1911: *Provided*, That he shall file notice of such injury and claim for compensation therefor not later than 60 days from the enactment of this act: *And provided further*, That no benefits shall accrue prior to the approval of this act.

## JOHN B. MEISINGER AND NANNIE B. MEISINGER

The bill (H. R. 8039) for the relief of John B. Meisinger and Nannie B. Meisinger was considered, ordered to a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That the United States Employees' Compensation Commission be, and it is hereby, authorized and directed to place upon its compensation roll the names of John B. Meisinger and Nannie B. Meisinger, who shall be held and considered to be the dependent parents of Dr. Clarence L. Meisinger, who was killed June 2, 1924, by the explosion of a balloon in which he was making a series of observations for the United States Weather Bureau, and pay jointly to them compensation at the rate of \$50 per month.

SEC. 2. The compensation of said John B. Meisinger and Nannie B. Meisinger shall cease if either of them dies, marries, or ceases to be dependent; and thereafter the remaining dependent shall be paid at the rate of \$25 per month until he dies, marries, or ceases to be dependent.

SEC. 3. This act shall take effect on the 1st day of the calendar month following the date of its enactment.

Mr. KING subsequently said: Mr. President, I tried to obtain recognition when House bill 8039 was being considered. I find that the bill has been reported adversely by the Chairman of the United States Employees' Compensation Commission. I ask unanimous consent that the vote by which the bill was passed be reconsidered.

The PRESIDING OFFICER. Without objection, the vote whereby the bill was passed will be reconsidered.

Mr. KING. I now ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

## HARRY WALLACE

The Senate proceeded to consider the bill (H. R. 10991) for the relief of Harry Wallace, which was read as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$5,000 to Harry Wallace, of Polkadotte, Ohio, in full satisfaction of all claims against the Government of the United States for permanent injuries sustained and for medical and hospital expenses incurred by him and for the destruction of his automobile on September 29, 1934, when the automobile in which he was riding and which belonged to him was struck and completely demolished by a Government automobile truck operated by one of the employees of and in connection with the Civilian Conservation Corps stationed at Camp Dean, Lawrence County, Ohio, for which said automobile truck was at that time being used on official business and being operated on State Highway No. 141, in Lawrence County, Ohio, near Ironton, Ohio: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

Mr. ROBINSON. Mr. President, may I inquire whether this bill was referred to any department?

Mr. BULKLEY. Mr. President, the bill was referred to the Department and adversely reported by the Department, but the adverse report was based upon an investigation of this accident made by the commandant of the camp from which the truck that was involved in the accident proceeded. The House Committee on Claims reviewed the whole case and took further evidence, much of it from the same witnesses examined by the captain at the camp, and the House committee came to the conclusion that the fault in this automobile collision was on the side of the driver of the Army truck.

Mr. ROBINSON. Very well.

The bill was ordered to a third reading, read the third time, and passed.

JENS H. LARSEN

The bill (H. R. 3573) for the relief of Jens H. Larsen was considered, ordered to a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Jens H. Larsen the sum of \$30.50, in full settlement of all claims against the United States for damages incurred to his automobile from snow and ice falling from the roof of the post-office building in St. Paul, Minn.: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

BERNARD V. WOLFE AND THE DIXON IMPLEMENT CO.

The Senate proceeded to consider the bill (H. R. 3673) for the relief of Bernard V. Wolfe and the Dixon Implement Co., which was read as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Bernard V. Wolfe the sum of \$2,500 for permanent personal injuries, and to the Dixon Implement Co. the sum of \$119.33 for damage to its tractor, in full settlement of all claims against the United States for such injuries and damage sustained when said tractor, driven by Bernard V. Wolfe, was struck by an airplane owned by the United States and operated by an employee of the Department of Commerce, at the Dixon (Ill.) Airport on September 17, 1930: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

Mr. ROBINSON. Mr. President, let us have an explanation of the bill.

Mr. LOGAN. Mr. President, did the Senator from Arkansas inquire as to House bill 3573?

Mr. ROBINSON. Yes.

Mr. LOGAN. As I recall, there is a disagreement in the reports from the several branches of the Department; but I believe, if the Senator had time to examine the reports, he would find that there is no doubt as to the negligence of the airplane pilot. The claimant, Wolfe, was the driver of a tractor at work on the grounds of the airport at Dixon, Ill. The air pilot says that he looked around and did not see the tractor, and so he started off and ran into it and damaged the tractor and also very seriously injured Mr. Wolfe. It appears to be a very clear case of negligence. As I recall, the Department of Commerce, or at least some bureau of it, recommended payment, while another bureau which perhaps had something to do in connection with this matter, recommended against it, on the ground that the negligence is not clearly shown.

Mr. ROBINSON. The Senator from Kentucky has examined the claim.

Mr. LOGAN. I have.

Mr. ROBINSON. I notice the Senator submitted a report from the committee. I shall not object to the consideration of the bill.

Mr. KING. Mr. President, I should like to invite the attention of the Senator from Kentucky to a statement made by the Secretary of Commerce. He states:

It would seem, therefore, that the accident was unavoidable, in view of which I am unable to recommend the payment of compensation for the injuries received by Mr. Wolfe.

Mr. LOGAN. Yes. He said that; but may I say to the Senator at the same time the facts which he sets forth clearly show that Wolfe was at work on the ground with a tractor and the pilot of the airplane just ran right into him. There was nothing unavoidable about it except the pilot says that he looked around and did not see anybody.

Mr. KING. The Chief Engineer of the Airway Division, after reviewing the facts, states:

In view of the fact that the pilot was not responsible for the accident it is recommended that compensation be not granted.

Mr. LOGAN. I may say to the Senator from Utah that, of course, it does not make any difference to me; but if we expect the department that causes damage to correct its errors and if we expect always to rely on what it says we will never get anything done. Here is a case where the facts stated show that deliberately a man was run into and seriously injured and nobody disputes it.

Mr. KING. By whom?

Mr. LOGAN. By the airplane pilot in charge of the airplane. The man was on the ground at work, and he was run into, and the only excuse is that the pilot looked around and did not see anyone, although it was in the broad open daylight.

Mr. KING. Mr. President, will the Senator yield?

Mr. LOGAN. Yes.

Mr. KING. Was the pilot an employee of the Federal Government?

Mr. LOGAN. That is my information. One or the other of them was employed by the Federal Government, and I think it was the air pilot.

Mr. KING. I was wondering whether the pilot was in the employ of the Federal Government or of some commercial organization.

Mr. LOGAN. I understand he was in the employ of the Federal Government. That is my information.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

STANLEY T. GROSS

The Senate proceeded to consider the bill (H. R. 4031) for the relief of Stanley T. Gross, which was read, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Stanley T. Gross the sum of \$500, in full settlement of all claims against the Government of the United States for the amount of a United States Treasury bond which he deposited in behalf of Stanislaw Walczak, an alien, who has been deported: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

Mr. ROBINSON. Mr. President, I inquire what is the explanation of this claim?

Mr. LOGAN. It is very easy to explain. I may say to the Senator that Mr. Gross became surety on a bond of an

alien who had been notified to appear in order that a hearing might be held to determine whether he should be deported. The alien moved from his address in the city to another address and went to the post office and notified the post office that he was moving, thinking that was notice to the Government. So when the notice was sent out to him to appear he did not receive it. He heard, however, the immigration officers were looking for him, and he went to the office of the immigration agent, said he was there, surrendered himself, and was deported.

The Commissioner of Immigration refused to return the \$500 which had been forfeited because the alien did not appear promptly because he did not receive any notice, although just as soon as he heard about it he went to the proper office. It seemed to me very unfair that the Government, after he appeared and actually was deported, without the expense of a penny to the Government, should not refund the money to the bondsman.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

#### MARIE LINSSEMEYER

The bill (H. R. 4999) for the relief of Marie Linsenmeyer was considered, ordered to a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Marie Linsenmeyer, out of any money in the Treasury not otherwise appropriated, the sum of \$112.50 in full settlement of all claims against the Government on account of personal injuries received by the said Marie Linsenmeyer on the 18th day of December 1930, at the post-office building at Burlington, Des Moines County, Iowa: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

#### MAE C. TIBBETT, ADMINISTRATRIX

The bill (H. R. 6698) for the relief of Mae C. Tibbett, administratrix, was considered, ordered to a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$5,000 to Mae C. Tibbett, administratrix of the estate of Leslie L. Tibbett, deceased, in full settlement of all claims against the United States as a result of a United States mail truck running over and killing said Leslie L. Tibbett while he was attempting to cross Plume Street at its intersection with Bank Street in the city of Norfolk, Va., on the afternoon of September 19, 1930: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

#### IZELDA BOISONEAU

The Senate proceeded to consider the bill (H. R. 7468) for the relief of Izelda Boisonneau, which had been reported from the Committee on Claims with an amendment, on page 1, line 5, after the words "sum of", to strike out "\$5,000" and insert "\$4,000", so as to make the bill read:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$4,000 to Izelda Boisonneau, of Mellen, Ashland County, Wis., mother of Eugene Boisonneau, in full settlement of all claims against the United States for the death of her son, who was killed because of mistaken identity by Government agents on April 22, 1934, in their endeavor to apprehend one John Dillinger and his associates: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to

or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

#### BILL PASSED OVER

The bill (S. 3075) for the relief of John L. Summers, former disbursing clerk, Treasury Department, and various former treasurers of the United States, was announced as next in order.

Mr. ROBINSON. Mr. President, this bill carries a large amount, \$93,000-plus. I should like to have an explanation of the bill. I see that it was reported by the Senator from Delaware [Mr. TOWNSEND], who does not appear to be present.

Mr. KING. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

#### CATHERINE DONNELLY AND OTHERS

The bill (H. R. 4725) for the relief of Catherine Donnelly, Claire E. Donnelly, John Kufall, Mary F. Kufall, and Elizabeth A. Tucker, was considered, ordered to a third reading, read the third time, and passed as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Catherine Donnelly and Claire E. Donnelly, both of Elizabeth, Union County, N. J., the sums of \$1,500 and \$5,000, respectively; to John Kufall and Mary F. Kufall, both of West Brighton, Staten Island, N. Y., the sums of \$500 and \$3,000, respectively; and to Elizabeth A. Tucker, of Linden, Union County, N. J., the sum of \$2,500; in all, \$12,500 in full settlement of all claims against the Government of the United States for personal injuries sustained by them as a result of negligence on the part of the employees of the United States in the operation of an Army truck when it struck the vehicle in which they were passengers, near Linden, N. J., on June 5, 1933: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

#### JULIA M. RYDER

The bill (H. R. 2189) for the relief of Julia M. Ryder was considered, ordered to a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Julia M. Ryder, of South Wareham, Mass., the sum of \$252 in full compensation for services rendered to the United States Post Office Department as acting temporary messenger for the conveyance of the mails on mail messenger routes nos. 204,196 and 101,728 from August 5, 1930, to August 31, 1931: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

#### JOSEPH JOCHEMCZYK

The bill (H. R. 3152) for the relief of Joseph Jochemczyk was considered, ordered to a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money

in the Treasury not otherwise appropriated, to Joseph Jochemczyk the sum of \$500, in full settlement of all claims against the United States for a bond guaranteeing the departure from the United States of Stanislaw Stanczyk, alien, who was deported from the United States in accordance with the instructions of the Department of Labor after said bond had been declared forfeited: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

MARY L. MUNRO

The bill (H. R. 4411) for the relief of Mary L. Munro was considered, ordered to a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mary L. Munro, Los Angeles, Calif., the sum of \$207.50, in full settlement of all claims against the United States for damages sustained by the said Mary L. Munro as the result of her automobile being struck by a United States Civilian Conservation Corps truck on the highway near Big Bear Lake, Calif., on October 20, 1934: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

PRESTON BROOKS MASSEY

The bill (H. R. 6520) for the relief of Preston Brooks Massey was considered, ordered to a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Preston Brooks Massey, the sum of \$2,000 in full satisfaction of his claim against the United States for damages for personal injuries received by him on September 25, 1919, as the result of the explosion of a detonator which had been left by troops of the United States Army near the home of the said Preston Brooks Massey, located in Muscogee County, Ga.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

MAE POULAND

The bill (H. R. 8034) for the relief of Mae Pouland was considered, ordered to a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mae Pouland the sum of \$750 in full settlement of all claims against the United States for personal injuries received as a result of a collision between a Government truck and the private car in which Mae Pouland was a passenger December 8, 1934, on a Texas highway: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

NAHWISTA CARR BOLK

The bill (H. R. 8088) for the relief of Nahwista Carr Bolk was considered, ordered to a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That the Comptroller General of the United States be, and he is hereby authorized and directed to credit the

account of Henry H. Carr, deceased, former postmaster at Popejoy, Iowa, with \$15.62. There is furthermore hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$82.07, \$64.20 of which shall be paid to Nahwista Carr Bolk by the Comptroller General, for services rendered by her as acting postmaster of Popejoy, Iowa, between December 26, 1933, and February 6, 1934, inclusive, and \$17.87 of which shall be credited to the account of said post office by the Comptroller General, covering a balance due the United States from January 1 to February 6, 1934.

JOHN HURSTON

The bill (H. R. 8510) for the relief of John Hurston was considered, ordered to a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the legal guardian of John Hurston, La Fayette, Ga., the sum of \$1,500 in full settlement of all claims against the Government for damages sustained by said John Hurston on account of injuries received when stricken by a truck of the Civilian Conservation Corps being negligently operated near Dayton, Tenn., on May 8, 1935: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

VIRGINIA ENGINEERING CO., INC.

The Senate proceeded to consider the bill (H. R. 396) for the relief of the Virginia Engineering Co., Inc., which had been reported from the Committee on Claims with amendments, on page 1, line 6, after the word "costs", to insert "if any", and on line 7, after the word "requests", to insert "if any shall be found to have been made and complied with", so as to make the bill read:

*Be it enacted, etc.*, That the Court of Claims of the United States be, and it is hereby, given jurisdiction to hear and determine the claim of the Virginia Engineering Co., Inc., and to award just compensation for extra costs if any incurred in complying with requests, if any shall be found to have been made and complied with, of the Director of the Veterans' Administration incident to the work performed under contract of June 24, 1924, for equipping the Veterans' Administration Hospital at Aspinwall, Pa., and to enter decree or judgment against the United States for such just compensation, if any, notwithstanding the bars or defense of lapse of time, laches, or any statute of limitation. Suit may be instituted by the claimant at any time within 4 months from the approval of this act. Proceedings in any suit brought in the Court of Claims under this act, appeals therefrom, and payment of any judgment therein shall be had as in the case of claims over which such court has jurisdiction by virtue of the judicial code: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendments were agreed to.

Mr. KING. Mr. President, may we have an explanation of this bill?

Mr. BYRD. Mr. President, this bill gives to the Court of Claims jurisdiction to consider any amount of extra costs which may be found to be legally due and to make payment accordingly to the Virginia Engineering Co. for its work in the construction of the Veterans' Administration hospital at Aspinwall, Pa. It seems that after the contract was awarded certain labor troubles and other difficulties ensued whereby the cost of the building was increased. The Veterans' Administration urged the Virginia Engineering Co. to prosecute as rapidly as possible the construction of the building. This bill, I repeat, gives to the Court of Claims jurisdiction and authority to consider the case and to award any damages by way of extra cost that may be found to be due.

The PRESIDING OFFICER (Mr. MINTON in the chair). The amendments having been agreed to, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

#### DAMPSKIB AKTIESELSHAP ROSKVA

The bill (S. 3645) for the relief of Dampskib Aktieselshap Roskva was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$1,999.38, or so much more or less as might be required to purchase exchange not to exceed the amount £399 17s. 6d., to Dampskib Aktieselshap Roskva, of Oslo, Norway, owners of the steamship *Roskva*, in full and final settlement of all claims whatsoever against the United States for damages to the *Roskva* arising from the collision between that vessel and the United States Army tug *Amackassin* on January 14, 1919, at Brest, France.

#### JAMES R. RUSSELL

The bill (H. R. 4277) for the relief of James R. Russell was considered, ordered to a third reading, read the third time, and passed.

#### WILLIAM W. BARTLETT

The bill (H. R. 4571) for the relief of William W. Bartlett was considered, ordered to a third reading, read the third time, and passed.

#### CAPT. CHESTER GRACIE

The bill (H. R. 4779) for the relief of Capt. Chester Gracie was considered, ordered to a third reading, read the third time, and passed.

#### ELIZABETH WYHOWSKI

The bill (H. R. 5827) for the relief of Elizabeth Wyhowski, mother and guardian of Dorothy Wyhowski, was announced as next in order.

Mr. BARKLEY. Mr. President, the bill apparently carries a considerable appropriation for a simple relief. May we have an explanation of it?

The PRESIDING OFFICER. The bill was reported by the Senator from North Carolina [Mr. BAILEY], who does not seem to be in the Chamber at the moment.

Mr. BARKLEY. Then I ask that it go over for the present.

The PRESIDING OFFICER. The bill will be passed over.

Mr. BARKLEY subsequently said: Mr. President, a moment ago I suggested that Calendar No. 1949, House bill 5827, go over. In the meantime I have examined the report; and I desire to withdraw any objection, and suggest that the bill pass.

Mr. ROBINSON. Does the Senator ask to recur to the bill?

Mr. BARKLEY. I ask to recur to that bill.

The PRESIDING OFFICER. Is there objection to recurring to House bill 5827?

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed.

#### HUGH B. CURRY

The bill (H. R. 5874) for the relief of Hugh B. Curry was considered, ordered to a third reading, read the third time, and passed.

#### FLORENCE HELEN KLEIN

The bill (H. R. 6599) for the relief of Florence Helen Klein, a minor, was considered, ordered to a third reading, read the third time, and passed.

#### ALFRED J. WHITE AND OTHERS

The bill (H. R. 6821) for the relief of Alfred J. White, M. J. Banker, and Charlyn DeBlanc was considered, ordered to a third reading, read the third time, and passed.

#### GEORGE H. SMITH

The bill (H. R. 6828) for the relief of George H. Smith was considered, ordered to a third reading, read the third time, and passed.

#### MRS. J. A. JOULLIAN

The bill (H. R. 7861) for the relief of Mrs. J. A. Joullian was considered, ordered to a third reading, read the third time, and passed.

#### GRANT HOSPITAL AND DR. M. H. STREICHER

The bill (H. R. 7904) for the relief of the Grant Hospital and Dr. M. H. Streicher was considered, ordered to a third reading, read the third time, and passed.

#### LOUIS GEORGE

The bill (H. R. 8113) for the relief of Louis George was considered, ordered to a third reading, read the third time, and passed.

#### MRS. JOHN H. WILKE

The bill (H. R. 8320) for the relief of Mrs. John H. Wilke was considered, ordered to a third reading, read the third time, and passed.

#### JOHN A. BAKER

The bill (H. R. 8486) for the relief of John A. Baker was considered, ordered to a third reading, read the third time, and passed.

#### J. C. DONNELLY

The bill (H. R. 8551) for the relief of J. C. Donnelly was considered, ordered to a third reading, read the third time, and passed.

#### EDWIN PICKARD

The bill (H. R. 8685) for the relief of Edwin Pickard was considered, ordered to a third reading, read the third time, and passed.

#### FRANK POLANSKY

The bill (H. R. 8706) for the relief of Frank Polansky was considered, ordered to a third reading, read the third time, and passed.

#### W. H. DEAN

The bill (H. R. 9076) for the relief of W. H. Dean was considered, ordered to a third reading, read the third time, and passed.

#### MYRTLE T. GROOMS

The bill (H. R. 9171) for the relief of Myrtle T. Grooms, was considered, ordered to a third reading, read the third time, and passed.

#### J. P. MOORE

The bill (H. R. 9190) for the relief of J. P. Moore, was considered, ordered to a third reading, read the third time, and passed.

#### FOOT'S TRANSFER & STORAGE CO., LTD.

The bill (H. R. 9208) for the relief of Foot's Transfer & Storage Co., Ltd., was considered, ordered to a third reading, read the third time, and passed.

#### EDGAR M. BARBER

The bill (H. R. 9380) for the relief of Edgar M. Barber, special disbursing agent, Paris, France, and Leo Martinuzzi, former customs clerk, was considered, ordered to a third reading, read the third time, and passed.

#### BILL PASSED OVER

The bill (H. R. 8262) for the relief of Tom Rogers et al. was announced as next in order.

Mr. ROBINSON. Mr. President, this bill is in somewhat unusual form. It apparently carries a large aggregate amount. I think the bill had better go over.

The PRESIDING OFFICER. The bill will be passed over.

#### DR. F. U. PAINTER AND OTHERS

The bill (H. R. 9125) for the relief of Dr. F. U. Painter, Dr. H. A. White, Dr. C. P. Yeager, Dr. W. C. Barnard, Mrs.

G. C. Oliphant, Amelia A. Daimwood, the Sun Pharmacy, Bruno's Pharmacy, Viola Doyle Maguire, Louise Harmon, Mrs. J. B. Wilkinson, Sisters of Charity of the Incarnate Word, Grace Hinnant, and Dr. E. O. Arnold was considered, ordered to a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to (1) Dr. F. U. Painter the sum of \$250; (2) Dr. H. A. White the sum of \$10; (3) Dr. C. P. Yeager the sum of \$60; (4) Dr. W. C. Barnard the sum of \$50; (5) Mrs. G. C. Oliphant the sum of \$6.50; (6) Amelia A. Daimwood the sum of \$162; (7) the Sun Pharmacy, Corpus Christi, Tex., the sum of \$2.65; (8) Bruno's Pharmacy, Corpus Christi, Tex., the sum of \$86.80; (9) Viola Doyle Maguire the sum of \$39; (10) Louise Harmon the sum of \$6; (11) Mrs. J. B. Wilkinson the sum of \$133.50; (12) Sisters of Charity of the Incarnate Word, Spohn Sanitarium, Corpus Christi, Tex., the sum of \$239; (13) Grace Hinnant the sum of \$35; (14) Jennie Chapman the sum of \$126; and (15) Dr. E. O. Arnold the sum of \$10. The payment of such sums, in all \$1,216.45, to such payees shall be in full settlement of their respective claims against the United States for reimbursement for medical and hospital treatment, nursing care, and medical supplies furnished to Frank John Ordener, late seaman, first class, United States Navy, during his acute and fatal illness in Corpus Christi, Tex., where he was stricken on July 19, 1928, while on leave of absence from his vessel: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The title was amended so as to read: "An act for the relief of Dr. F. U. Painter, Dr. H. A. White, Dr. C. P. Yeager, Dr. W. C. Barnard, Mrs. G. C. Oliphant, Amelia A. Daimwood, the Sun Pharmacy, Bruno's Pharmacy, Viola Doyle Maguire, Louise Harmon, Mrs. J. B. Wilkinson, Sisters of Charity of the Incarnate Word, Grace Hinnant, Dr. E. O. Arnold, and Jennie Chapman."

#### BILL PASSED OVER

The bill (S. 3721) to provide for a change in the design of the 50-cent pieces authorized to be coined in commemoration of the one hundredth anniversary of independence of the State of Texas was announced as next in order.

Mr. ADAMS. Mr. President, I understand the Senator from Texas [Mr. CONNALLY], whose bill this is, wishes to consider an amendment offered by the Senator from Arkansas [Mrs. CARAWAY], and would like to have the bill go over temporarily.

The PRESIDING OFFICER. The bill will be passed over.

#### RECOINAGE OF 50-CENT PIECES, CALIFORNIA-PACIFIC INTERNATIONAL EXPOSITION

The Senate proceeded to consider the bill (H. R. 9673) to authorize the recoinage of 50-cent pieces in connection with the California-Pacific International Exposition to be held in San Diego, Calif., in 1936, which had been reported from the Committee on Banking and Currency with an amendment, in section 1, page 2, line 2, after the word "said", to strike out "act, bearing date 1936" and insert "act: *Provided*, That the coins herein authorized shall all be of the same design, shall bear the date 1936 irrespective of the year in which they are minted or issued, and shall be coined at one of the mints of the United States to be designated by the Director of the Mint; and not less than 5,000 such coins shall be issued at any one time and no such coins shall be issued after the expiration of 1 year after the date of enactment of this act", so as to make the section read:

*Be it enacted, etc.,* That, to indicate the interest of the Government of the United States in the continuation of the California-Pacific International Exposition at San Diego, Calif., for the year 1936, the Director of the Mint is authorized to receive from the California-Pacific International Exposition Co., or its duly authorized agent, not to exceed 180,000 silver 50-cent pieces heretofore coined under authority of an act of Congress approved May 3, 1935, and recoin the same, under the same terms and conditions as contained in said act: *Provided*, That the coins herein authorized shall all be of the same design, shall bear the date 1936 irrespective of the year in which they are minted or issued, and shall be coined at one of the mints of the United States to be designated by the

Director of the Mint; and not less than 5,000 such coins shall be issued at any one time and no such coins shall be issued after the expiration of 1 year after the date of enactment of this act.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

#### CHARLES D. BIRKHEAD

The bill (S. 4115) for the relief of Charles D. Birkhead was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That the Administrator of Veterans' Affairs be, and he is hereby, authorized and directed to consider the application of Charles D. Birkhead, former captain, Three Hundred and Sixtieth Regiment United States Infantry, for the benefits of the act entitled "An act making eligible for retirement, under certain conditions, officers and former officers of the Army, Navy, and Marine Corps of the United States, other than officers of the Regular Army, Navy, or Marine Corps, who incurred physical disability in line of duty while in the service of the United States during the World War", approved May 24, 1928: *Provided*, That the application of the said Charles D. Birkhead shall be filed with the Veterans' Administration within 6 months from the date of the approval of this act.

#### EDGAR H. TABER

The bill (H. R. 1963) for the relief of Edgar H. Taber was considered, ordered to a third reading, read the third time, and passed.

#### MARCELLUS E. WRIGHT AND OTHERS

The Senate proceeded to consider the bill (S. 3769) for the relief of Marcellus E. Wright and Lee, Smith & Vandervoort, Inc., which had been reported from the Committee on Claims with amendments, on page 1, line 7, after the words "sum of," to strike out "\$20,735.50" and insert "\$13,952.50"; in line 8, after the word "their", to strike out "claim" and insert "claims"; and at the end of the bill to insert a proviso, so as to make the bill read:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Marcellus E. Wright and Lee, Smith & Vandervoort, Inc., associate architects, of Richmond, Va., the sum of \$13,952.50 in full settlement of their claims against the Government of the United States as architects and for engineering services rendered during the year 1933 and up to and including December 31, 1934, in connection with the erection of the Parcel Post Building at Richmond, Va.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### ELIZABETH KURAU

The Senate proceeded to consider the bill (S. 1435) for the relief of Elizabeth Kurau, which had been reported from the Committee on Claims with an amendment to strike out all after the enacting clause and to insert:

That jurisdiction is hereby conferred upon the United States District Court for the District of Connecticut to hear, determine, and render judgment, as if the United States were suable in tort, upon the claim of Elizabeth Kurau, of Torrington, Conn., for damages resulting from injuries received by her on April 2, 1934, near Torrington, Conn., by reason of an automobile collision in which a Civilian Conservation Corps automobile truck was involved: *Provided*, That the judgment, if any, shall not exceed the sum of \$5,000.

Sec. 2. Suit upon such claim may be instituted at any time within 1 year after the enactment of this act, notwithstanding the lapse of time or any statute of limitations. Proceedings for the determination of such claim, and appeals from any payment of any judgment thereon, shall be in the same manner as in the cases of claims over which such court has jurisdiction under the provisions of paragraph twentieth of section 24 of the Judicial Code, as amended.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill conferring jurisdiction upon the United States District Court for the District of Connecticut to hear, determine, and render judgment upon the claim of Elizabeth Kurau."

#### TAMPICO MARINE IRON WORKS

The Senate proceeded to consider the joint resolution (S. J. Res. 61) to repeal an act approved February 17, 1933, entitled "An act for the relief of Tampico Marine Iron Works", and to provide for the relief of William Saenger, chairman, liquidating committee of the Beaumont Export & Import Co., of Beaumont, Tex.

Mr. ROBINSON. Mr. President, I observe that this joint resolution was introduced by the Senator from Texas [Mr. SHEPPARD]. I should like to have him make a statement to the Senate regarding the measure.

Mr. SHEPPARD. Mr. President, a bill has heretofore been enacted for the relief of the Tampico Marine Iron Works, a Mexican concern, for work done on a United States Shipping Board vessel. The bill authorized payment to an American concern, the Beaumont (Tex.) Export & Import Co., a creditor of the Mexican concern, on presentation of proper authority from the latter to the Secretary of the Treasury. This authority was obtained, but was in some way misplaced, and when an attempt was made to secure a duplicate, it was found that the Tampico Marine Iron Works was no longer in existence. The purpose of this resolution is to repeal the bill above mentioned and to provide for payment to William Saenger, chairman of the liquidating committee of the Beaumont Export & Import Co., of Beaumont, Tex.

Mr. ROBINSON. The bill provides for payment to an individual rather than to a corporation?

Mr. SHEPPARD. To an individual who is the legal representative of the Beaumont Export & Import Co.

Mr. ROBINSON. The evidence establishes to the satisfaction of the Senator from Texas the right of Mr. Saenger to be awarded this money?

Mr. SHEPPARD. It does.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Resolved, etc.*, That the act approved February 17, 1933, entitled "An act for the relief of Tampico Marine Iron Works", being Private Act No. 209, Seventy-second Congress, be, and the same is hereby, repealed; and be it further

*Resolved*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to William Saenger, chairman, liquidating committee of the Beaumont Export & Import Co. for the Tampico Marine Iron Works, a foreign corporation, the sum of \$1,500 in full settlement of all claims due the Tampico Marine Iron Works by the Government of the United States to work on, repairing, raising, and furnishing material for the United States Shipping Board vessel *Latham*, during the year 1920: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

#### TEXAS PACIFIC-MISSOURI PACIFIC TERMINAL RAILROAD

The bill (S. 3544) authorizing adjustment of the claim of the Texas Pacific-Missouri Pacific Terminal Railroad of New Orleans was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That the Comptroller General of the United States be, and he is hereby, authorized and directed to settle and adjust the claim of the Texas Pacific-Missouri Pacific Terminal Railroad of New Orleans for reimbursement of its expenditures for labor, material, and rental of equipment in repairing the damage to its car-ferry incline tracks located at Goulsboro, La., within the limits of the New Orleans Harbor, which were damaged on September 18, 1931, by the sinking thereon of a concrete bank-protection mattress during the Government's construction operations under an approved project for revetment work within the limits of New Orleans Harbor, and to allow in full and final settlement of said claim not to exceed the sum of \$1,440.75. There is hereby appropriated, out of any money in the Treasury not

otherwise appropriated, the sum of \$1,440.75, or so much thereof as may be necessary to pay said claim: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

#### CLAIMS AGAINST COAST GUARD AND PUBLIC HEALTH SERVICE VESSELS

The bill (S. 3818) authorizing the Secretary of the Treasury to consider, ascertain, adjust, and determine certain claims for damages resulting from the operation of vessels of the Coast Guard and Public Health Service was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to consider, ascertain, adjust, and determine the amounts due on all claims for damages occasioned after the date of the enactment of this act where the amount of the claim does not exceed the sum of \$3,000, occasioned by collisions or damage incident to the operation of vessels for which collisions or other damage vessels of the Coast Guard or the Public Health Service, or vessels in the service of the Coast Guard or the Public Health Service, shall be found to be responsible, and report the amounts so ascertained and determined to be due the claimants to the Congress for payment as legal claims out of appropriations that may be made by Congress therefor.

#### HARRY L. PARKER

The bill (S. 4358) for the relief of Harry L. Parker was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That notwithstanding the provisions of section 601 of the Merchant Marine Act of May 22, 1928 (45 Stat. 697), the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust and settle the claim of Harry L. Parker, of the Department of Agriculture, in a sum not in excess of \$117.48, representing the amount paid by him for transportation on a vessel of foreign registry and per diem in lieu of subsistence while traveling on said vessel during the period September 7 to 11, 1934.

#### W. D. REED

The bill (S. 4359) for the relief of W. D. Reed was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That notwithstanding the provisions of section 601 of the Merchant Marine Act of May 22, 1928 (45 Stat. 697), the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust and settle, out of the available balance in the appropriation "34373.27—Salaries and expenses, Bureau of Entomology (household and stored products insects), 1934", the claim of W. D. Reed, of the Department of Agriculture, in the amount of \$220, representing the amount paid by him from personal funds to the Italian Line in settlement for transportation accomplished on a vessel of foreign registry, secured on transportation request numbered A-642907, and covering official travel, authorized by and in the interest of the Government, from New York to Athens, Greece, during the period July 14 to July 29, 1933.

#### ARTHUR W. BRADSHAW

The bill (H. R. 1440) for the relief of Arthur W. Bradshaw was considered, ordered to a third reading, read the third time, and passed.

#### MOFFAT COAL CO.

The bill (H. R. 4951) for the relief of the Moffat Coal Co. was considered, ordered to a third reading, read the third time, and passed.

#### MARY HEMKE

The bill (H. R. 11486) for the relief of Mary Hemke was considered, ordered to a third reading, read the third time, and passed.

#### S. C. EASTVOLD

The Senate proceeded to consider the bill (S. 3600) for the relief of S. C. Eastvold, which had been reported from the Committee on Claims with an amendment, at the end of the bill to insert a proviso, so as to make the bill read:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to S. C. Eastvold,

pastor of the First Lutheran Church, of Eau Claire, Wis., the sum of \$100, in full satisfaction of his claim against the United States for the refund of a deposit made by him upon application for the entry and classification of a parish paper as second-class mail matter, such application having been denied: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### ALASKA COMMERCIAL CO., OF SAN FRANCISCO, CALIF.

The Senate proceeded to consider the bill (S. 3861) for the relief of the Alaska Commercial Co., of San Francisco, Calif., which had been reported from the Committee on Claims with an amendment at the end of the bill to insert a proviso, so as to make the bill read:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Alaska Commercial Co., of San Francisco, Calif., the sum of \$4,408.21 in full and final settlement of any and all claims against the United States for damages caused to the wharf of said company at Dutch Harbor, Alaska, by the United States Coast Guard cutter *Tahoe*, on May 20, 1934: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### GRANT ANDERSON

The Senate proceeded to consider the bill (S. 4116) for the relief of Grant Anderson, which had been reported from the Committee on Claims with an amendment to strike out all after the enacting clause and to insert:

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Grant Anderson, Crow Creek Reservation, S. Dak., the sum of \$226.67, such sum representing the remainder of a refund due the said Grant Anderson from the estate of Julia White Cloud or Julia Voice, deceased heir of Philip His Day, on account of a certain canceled contract entered into between the said Grant Anderson and the Department of the Interior on December 11, 1920, relating to the purchase of 160 acres of land owned by the heirs of Philip His Day, deceased Crow Creek allottee no. 929. The said Grant Anderson shall execute and deliver to the Secretary of the Interior an assignment, satisfactory to the Secretary, assigning to the United States all his right, title, and interest in and to the remainder of such refund. All sums recovered from the estate of Julia White Cloud or Julia Voice by the United States under such assignment shall be covered into the Treasury as miscellaneous receipts.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### INDIANA LIMESTONE CORPORATION

The Senate proceeded to consider the bill (S. 4379) for the relief of the Indiana Limestone Corporation, which had been reported from the Committee on Claims with an amendment at the end of the bill to insert a proviso, so as to make the bill read:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Indiana Limestone Corporation the sum of \$5,976.93. Such sum represents additional costs incurred by such corporation as a subcontractor for the James Stewart Co., general contractors, for work performed in connection with carving of metopes in the Interstate Commerce Commission, Labor, and connecting-wing building in performance of a contract with the Department of the Treasury dated June 18, 1932 (contract no. T-1-SA-3271): *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by

any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment was agreed to.

Mr. BARKLEY. Mr. President, not observing that the Senator from Indiana [Mr. MINTON] is in the chair, I was about to ask for a brief statement regarding this matter. A considerable amount is involved in the bill—some \$5,000.

The PRESIDING OFFICER. The present occupant of the chair will be glad to state from the chair, if he may, that the bill is approved by the Treasury Department.

In constructing the building now occupied by the Department of Labor, in order to facilitate the progress of the work and go ahead with it, the stonework was set without putting in the cut forms. When the time arrived to put in the cut forms, it took additional stone and labor to the extent set out in the bill. The report from the Treasury Department says that by permitting the work to go ahead, setting the stone first and doing this other work afterward, the construction of the building was facilitated, and a considerable amount of money was saved for the Government.

Mr. BARKLEY. I have no objection.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time and passed.

#### T. H. WAGNER

The Senate proceeded to consider the bill (S. 3607) for the relief of T. H. Wagner, which had been reported from the Committee on Claims with amendments, on page 1, line 6, after the words "sum of", to strike out "\$500" and insert "\$273", and at the end of the bill to insert a proviso, so as to make the bill read:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to T. H. Wagner, the sum of \$273, in full satisfaction of his claim against the United States for damages on account of personal injuries suffered by him when he was struck on the head by a rock thrown by a dynamite blast set off by members of the Civilian Conservation Corps at Lake Mary, near Flagstaff, Ariz., on August 26, 1935: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### L. G. VINSON

The Senate proceeded to consider the bill (S. 3608) for the relief of L. G. Vinson, which had been reported from the Committee on Claims with amendments, on page 1, line 5, after the word "to", to strike out "L. G. Vinson" and insert "Vinson & Pringle"; in line 7, after the word "of", to strike out "his" and insert "their"; in line 9, after the word "to", to strike out "him" and insert "them"; and at the end of the bill to insert a proviso, so as to make the bill read:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Vinson & Pringle, the sum of \$301 in full satisfaction of their claim against the United States for damages arising out of the loss of a Bluff and Buff mountain-type transit, belonging to them, which was lost while in the custody of the Civil Works Administration, in Arizona, under a rental agreement: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Vinson & Pringle."

MELBA KUEHL

The Senate proceeded to consider the bill (S. 4360) for the relief of Melba Kuehl, which had been reported from the Committee on Claims with amendments, on page 1, line 6, after the words "sum of", to strike out "\$100.30" and insert "\$103.07"; in line 10, after the word "officially", to strike out "designated" and insert "commissioned"; and at the end of the bill to insert a proviso, so as to make the bill read:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Melba Kuehl, postmaster at Breed, Wis., the sum of \$103.07, in full satisfaction of her claim for compensation for services rendered while acting as such postmaster between the dates of April 24, 1933, and August 16, 1933, after the death of the former postmaster and before she was officially commissioned as such postmaster: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

W. D. GANN

The Senate proceeded to consider the bill (S. 4052) for the relief of W. D. Gann, which had been reported from the Committee on Claims with amendments, on page 1, line 5, after the words "sum of", to strike out "\$4,000" and insert "\$2,180", and at the end of the bill to insert a proviso, so as to make the bill read:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to W. D. Gann the sum of \$2,180 in full settlement against the Government for property loss sustained by him as a result of his airplane being damaged by a Navy Department motorcycle: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney, on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### PRELIMINARY EXAMINATION OF SALMON RIVER, OREG.

The bill (S. 4228) to authorize a preliminary examination of the Salmon River in the State of Oregon with a view to the control of its floods was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made of the Salmon River in the State of Oregon, with a view to the control of its floods, in accordance with the provisions of section 3 of an act entitled "An act to provide for control of floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

#### JOINT RESOLUTION PASSED OVER

The joint resolution (H. J. Res. 567) to provide an additional appropriation for expenses of special and select committees of the House of Representatives for the fiscal year 1936 was announced as next in order.

Mr. McKELLAR. Mr. President, the other day, when this measure came up, the Senator from Alabama [Mr. BLACK] made an objection to it. I do not see him on the floor. Let the joint resolution be passed over temporarily.

The PRESIDING OFFICER. The joint resolution will be temporarily passed over.

J. L. SUMMERS

The bill (S. 4447) for the relief of J. L. Summers was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow credit in the accounts of J. L. Summers, formerly disbursing clerk of the Treasury Department, for the sum of \$38.12, being the amount disallowed on voucher 11557 in the June 1934 cash account of said disbursing clerk.

#### CLAIMS OF DELAWARE INDIANS

The bill (S. 4184) to amend the last paragraph, as amended, of the act entitled "An act to refer the claims of the Delaware Indians to the Court of Claims, with the right of appeal to the Supreme Court of the United States", approved February 7, 1925, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That the last paragraph, as amended, of the Act entitled "An act to refer the claims of the Delaware Indians to the Court of Claims, with the right of appeal to the Supreme Court of the United States", approved February 7, 1925, is amended by striking out the following: "and in no event to be more than \$25,000 in any one claim."

#### BILL PASSED OVER

The bill (S. 3143) for the relief of the Passaic Valley Sewerage Commissioners was announced as next in order.

Mr. ROBINSON. Mr. President, this bill involves a rather large amount. I should like to have an explanation of the bill.

In the absence of the Senator introducing the bill and of the Senator who reported it, I think it had better go over.

The PRESIDING OFFICER. The bill will be passed over.

DORIS LIPSCOMB

The bill (H. R. 4953) for the relief of Doris Lipscomb was considered, ordered to a third reading, read the third time, and passed.

JOSEPH A. TERRY

The bill (H. R. 6578) for the relief of Joseph A. Terry was considered, ordered to a third reading, read the third time, and passed.

#### FIRST FEDERAL SAVINGS & LOAN ASSOCIATION, SHAWNEE, OKLA.

The bill (H. R. 6848) for the relief of the First Federal Savings & Loan Association of Shawnee, Okla., was considered, ordered to a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated and in full settlement of all claims against the Government, the sum of \$196.72 to the First Federal Savings & Loan Association of Shawnee, Okla., successors to the Fidelity Building & Loan Association, for damages to real-estate property at 606 West Dewey Street, in the city of Shawnee, Okla., caused by slugs from firearms discharged by duly authorized agents of the United States of America on December 31, 1933, during the capture and death of certain outlaws sought by the Government for violation of its laws: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

FRANK ROTTKAMP

The bill (H. R. 6999) for the relief of Frank Rottkamp was considered, ordered to a third reading, read the third time, and passed.

MARIANO BIONDI

The bill (H. R. 7529) for the relief of Mariano Biondi was considered, ordered to a third reading, read the third time, and passed.

## RELIEF OF THE STATE OF NEW JERSEY

The Senate proceeded to consider the bill (S. 4395) for the relief of the State of New Jersey, which had been reported from the Committee on Claims with an amendment, on page 1, line 10, after the numerals "1934", to strike out the words "and providing for replacement, without cost to the State of New Jersey, of like articles for reissue to and the use of the National Guard of New Jersey", so as to make the bill read:

*Be it enacted, etc.,* That the State of New Jersey and David S. Hill, United States property and disbursing officer for New Jersey, are hereby relieved from accountability for certain property belonging to the United States, of the total value of \$4,467.76, which property was loaned to such State for use by the New Jersey National Guard and was unavoidably lost or destroyed when issued for use in connection with the *Morro Castle* disaster on September 8, 1934.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

## FIFTIETH ANNIVERSARY OF CINCINNATI AS A CENTER OF MUSIC

The Senate proceeded to consider the bill (S. 4470) to authorize the issuance of additional coins in commemoration of the fiftieth anniversary of Cincinnati, Ohio, as a center of music, which had been reported from the Committee on Banking and Currency with an amendment to strike out all after the enacting clause and to insert the following:

That the act entitled "An act to authorize the coinage of 50-cent pieces in commemoration of the fiftieth anniversary of Cincinnati, Ohio, as a center of music, and its contribution to the art of music for the past 50 years", approved March 31, 1936, is amended to read as follows:

"That in commemoration of the fiftieth anniversary in 1936 of the city of Cincinnati, Ohio, as a center of music, and to commemorate Cincinnati's contribution to the art of music in the United States for the past 50 years, there shall be coined at a mint of the United States to be designated by the Director of the Mint not to exceed 65,000 silver 50-cent pieces of standard size, weight, and composition and of a special appropriate single design to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, but the United States shall not be subject to the expense of making the necessary dies and other preparations for this coinage.

"Sec. 2. The coins herein authorized shall bear the date 1936, irrespective of the year in which they are minted or issued, shall be legal tender in any payment to the amount of their face value, and shall be issued only upon the request of the Cincinnati Musical Center Commemorative Association, of Cincinnati, Ohio, upon payment by it of the par value of such coins, but not less than 5,000 such coins shall be issued to it at any one time and no such coins shall be issued after the expiration of 1 year after the date of enactment of this act. Such coins may be disposed of at par or at a premium by such association, and the net proceeds shall be used by it in defraying the expenses incidental and appropriate to the commemoration of such event.

"Sec. 3. All laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same, regulating and guarding the process of coinage, providing for the purchase of material, and for the transportation, distribution, and redemption of coins, for the prevention of debasement or counterfeiting, for the security of the coins, or for any other purposes, whether such laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein authorized."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

## BILL PASSED OVER

The bill (S. 3373) a bill to credit the tribal funds of the Indians of the Fort Belknap Indian Reservation in Montana with certain sums expended therefrom for the purchase and maintenance of a tribal herd, and for the purchase of horses destroyed during a dourine epidemic was announced as next in order.

Mr. McKELLAR. Mr. President, will not the Senator from Montana explain this bill?

Mr. WHEELER. Let the bill go over temporarily.

The PRESIDING OFFICER. The bill will be passed over.

## ONE HUNDRED AND FIFTIETH ANNIVERSARY OF THE CHARTERING OF LYNCHBURG, VA.

The Senate proceeded to consider the bill (S. 4448) to authorize the coinage of 50-cent pieces in commemoration of

the one hundred and fiftieth anniversary of the issuance of the charter to the city of Lynchburg, Va., which was read as follows:

*Be it enacted, etc.,* That in commemoration of the one hundred and fiftieth anniversary of the issuance of the charter to the city of Lynchburg, Va., there shall be coined at a mint of the United States to be designated by the Director of the Mint not to exceed 10,000 silver 50-cent pieces of standard size, weight, and composition and of a special appropriate single design to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, but the United States shall not be subject to the expense of making the necessary dies and other preparations for this coinage.

Sec. 2. The coins herein authorized shall bear the date 1936, irrespective of the year in which they are minted or issued, shall be legal tender in any payment to the amount of their face value, and shall be issued only upon the request of the Lynchburg Sesqui-Centennial Association upon payment by it of the par value of such coins, but not less than 5,000 such coins shall be issued to it at any one time and no such coins shall be issued after the expiration of 1 year after the date of enactment of this act. Such coins may be disposed of at par or at a premium by such association, and the net proceeds shall be used by it in defraying the expenses incidental and appropriate to the commemoration of such event.

Sec. 3. All laws now in force relating to the subsidiary silver coins of the United States and the coinage or striking of the same, regulating and guarding the process of coinage, providing for the purchase of material, and for the transportation, distribution, and redemption of coins, for the prevention of debasement or counterfeiting, for the security of the coins, or for any other purposes, whether such laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein authorized.

Mr. ADAMS. Mr. President, I wish to submit an amendment to the bill changing the amount.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 1, line 7, it is proposed to strike out the word "ten" and to insert in lieu thereof the word "twenty."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

## FORT MOULTRIE, (S. C.) MILITARY RESERVATION

The Senate proceeded to consider the bill (S. 4432) authorizing and directing the Secretary of War to lease land on the Fort Moultrie (S. C.) Military Reservation to the owners of certain cottages thereon, which had been reported from the Committee on Military Affairs with an amendment, on page 2, line 4, to insert the words "and the further provision that such buildings shall be removed without expense to the United States Government and that the lessee shall have no claim against the United States Government by reason of any damage whatsoever to said buildings or person from any cause", so as to make the bill read:

*Be it enacted, etc.,* That the Secretary of War is authorized and directed to lease for a period of 20 years to the owners of the six cottages erected on land reclaimed from the ocean and now determined to be part of the military reservation of Fort Moultrie, S. C., the land upon which such homes were erected by the owners in the belief that title was vested in the commissioners of Sullivan's Island, from whom it was secured by the owners: *Provided, however,* That such leases shall contain the provision that if at any time said property is needed for military purposes the buildings thereon must, upon notice, be immediately removed and the leases canceled, and the further provision that such buildings shall be removed without expense to the United States Government and that the lessee shall have no claim against the United States Government by reason of any damage whatsoever to said buildings or person from any cause.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

## ANCHORAGE COMMERCIAL CO., INC.

The Senate proceeded to consider the bill (H. R. 4159) for the relief of Anchorage Commercial Co., Inc., which had been reported from the Committee on Claims with an amendment, on page 1, line 6, to strike out "any moneys in the Treasury not otherwise appropriated" and to insert in lieu thereof "balances of the appropriations 'Education of natives of Alaska, 1927-28' and 'Education of natives of Alaska,

1928-29', which balances have heretofore been carried to the surplus fund of the Treasury", so as to make the bill read:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Anchorage Commercial Co., Inc., a corporation organized and existing under the laws of the Territory of Alaska, out of balances of the appropriations "Education of natives of Alaska, 1927-28" and "Education of natives of Alaska, 1928-29", which balances have heretofore been carried to the surplus fund of the Treasury, the sum of \$307.21 in full satisfaction of all claims against the United States on account of services rendered and materials and supplies furnished to the United States Indian Industrial School situated at Eklutna, Alaska, between August 11, 1927, and June 30, 1929: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

#### BILL PASSED OVER

The bill (H. R. 2467) for the relief of Holy Cross Mission Hospital was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

#### J. H. TAYLOR & SON

The Senate proceeded to consider the bill (H. R. 2936) for the relief of J. H. Taylor & Son, which was read, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$3,500 in full settlement of all claims against the Government of the United States of J. H. Taylor & Son, said sum representing a deduction by the Comptroller General of the United States from the contract price for the purchase of the Atlanta (Ga.) post-office building site: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

Mr. McKELLAR. Let the bill go over.

Mr. GEORGE. Mr. President, I hope the Senator will withhold his objection.

Mr. McKELLAR. If the Senator desires, I will withdraw the objection until he can explain the bill.

Mr. GEORGE. I think it should be explained, briefly, for the reason that several years ago, when Mr. Ogden Mills was Secretary of the Treasury, an adverse report on this claim was made. The adverse report grew out of a misapprehension of the facts of the case.

Some years ago a bill was passed authorizing the construction of the Atlanta, Ga., post office at an up-set price, more than \$2,000,000. Eight hundred and eighty thousand dollars was set aside for the purchase of the land. There were some 12 parcels of land at the site where the Government desired to locate the Federal building. The Government declined to enter into negotiations with the several owners, and insisted that they procure someone to represent all of the property owners.

The firm of J. H. Taylor & Son, a reputable firm of Atlanta, who had no interest in any of the land, was selected for that purpose. I speak from knowledge, because I was interested in the bill which led to the construction of the Atlanta post office.

Practically all the parcels of land were procured, by consent, at prices that were agreeable. Two tracts had to be

condemned. One tract of land was secured under a friendly condemnation proceeding, or a proceeding practically friendly. Another tract had to be procured, both for the purpose of settling the title and eliminating questions of ownership, and because there was a failure to agree upon the price.

With reference to one of these tracts of land the condemnation proceedings were had, and the finding was against the property owner, but the property owner immediately filed an appeal. Taylor & Son were in constant communication with the Treasury Department. While the appeal was pending, it appeared that by bringing the award up to the original allotment made for the purchase of the land the title could be procured; that is, the appeal would be dismissed, and the district attorney, who had charge of the condemnation proceeding, was agreeable to that method of handling and closing the case.

It turned out, however, that for some reason Mr. Heath, who was then Assistant Secretary of the Treasury, and who wished to proceed with the construction of the post office, desired that the titles be cleared at once, and Taylor was instructed to pay the difference between the award and the amount actually originally set aside for the purchase of the real estate.

According to Mr. Taylor's contention, and according to the contention of the district attorney, these are the true facts in the case. At any rate, the appeal was dismissed, Taylor paid the money out of his own pocket, and the Comptroller General conceived of the case as one that amounted simply to a transaction of a broker, and said that the Government had no authority to make that sort of contract.

The Department at Washington, as I recall the facts, after the long lapse of time, went so far as to advise Mr. Taylor that it had submitted a claim to the Comptroller for \$3,500, which was the difference between the award and the price which the property owner had agreed to take and dismiss his appeal, and pending the determination of that claim by the Comptroller, Mr. Taylor paid the money out of his pocket, and then the Comptroller disallowed the claim.

Mr. McKELLAR. This is for a return of money which Taylor had actually paid out?

Mr. GEORGE. Yes; for the return of money which Taylor actually paid. He had not one cent of interest in the property.

Mr. McKELLAR. It was not a brokerage transaction at all?

Mr. GEORGE. Not at all.

Mr. McKELLAR. But is for reimbursement of money actually paid out?

Mr. GEORGE. That is correct.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

#### BETHLEHEM FABRICATORS, INC.

The bill (H. R. 5491) for the relief of the Bethlehem Fabricators, Inc., was considered, ordered to a third reading, read the third time, and passed.

#### SPERRY GYROSCOPE CO., INC., OF NEW YORK

The bill (H. R. 5625) for the relief of Sperry Gyroscope Co., Inc., of New York, was considered, ordered to a third reading, read the third time, and passed.

#### ADOLPH MICEK

The bill (H. R. 7867) for the relief of Adolph Micek, a minor, was considered, ordered to a third reading, read the third time, and passed.

#### EVELYN HARRIETT B. JOHNSTONE

The Senate proceeded to consider the bill (H. R. 9153) for the relief of Evelyn Harriett B. Johnstone, which had been reported from the Committee on Claims with an amend-

ment, on page 1, line 7, to strike out "\$1,000" and to insert in lieu thereof "\$500", so as to make the bill read:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Evelyn Harriett B. Johnstone, of San Francisco, Calif., the sum of \$500, in full settlement of her claim against the United States for damages sustained on March 5, 1935, when she was injured by a bullet fired by a Federal narcotic officer who was in pursuit of a suspect fugitive: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

#### MR. AND MRS. WILLIAM O'BRIEN

The Senate proceeded to consider the bill (H. R. 10565) for the relief of Mr. and Mrs. William O'Brien, which had been reported from the Committee on Claims with an amendment, on page 1, line 5, strike out the words "not otherwise appropriated" and to insert in lieu thereof the words "allocated by the President for the maintenance and operation of the Civilian Conservation Corps", so as to make the bill read:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury allocated by the President for the maintenance and operation of the Civilian Conservation Corps, and in full settlement against the Government, the sum of \$5,000 to Anna O'Brien and William O'Brien, of Neillsville, Wis., parents of Violet Lilly O'Brien, who died of injuries received as a result of a collision on April 1, 1935, between a truck operated by Walter Marg, Fairchild, Wis., and a United States Civilian Conservation Corps truck: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

#### A. F. AMORY

The bill (H. R. 399) for the relief of A. F. Amory, was considered, ordered to a third reading, read the third time, and passed.

#### ESTATE OF JOHN A. M'GLOIN

The bill (H. R. 6344) for the relief of the estate of John A. McGloin, was considered, ordered to a third reading, read the third time, and passed.

#### GEORGIANA MINNIGERODE

The bill (H. R. 7031) for the relief of Georgiana Minnigerode, widow of Capt. Karl Minnigerode, was considered, ordered to a third reading, read the third time, and passed.

#### E. W. JERMARK

The bill (S. 3768) for the relief of E. W. Jermark was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That the Comptroller General be, and he is hereby, authorized and directed to allow credit in the accounts of E. W. Jermark, former superintendent and special disbursing agent for the Lac du Flambeau Indian Agency, Lac du Flambeau, Wis., in the sum of \$268.45, representing payments made by him to G. B. Aschenbrenner, credit for which was disallowed by certificate of settlement no. G-42484-In, dated July 19, 1933.

#### HENRY O. GODDARD

The bill (H. R. 1915) for the relief of Henry O. Goddard was considered, ordered to a third reading, read the third time, and passed.

#### OSCAR GUSTOF BERGSTROM

The bill (H. R. 3914) for the relief of Oscar Gustof Bergstrom was announced as next in order.

Mr. McKELLAR. Mr. President, that measure is opposed by the Comptroller General, and unless it can be explained I ask that it go over.

The PRESIDING OFFICER. The bill will be passed over.

#### JACOB KAISER

The Senate proceeded to consider the bill (S. 3956) for the relief of Jacob Kaiser, which had been reported from the Committee on Claims with an amendment, on page 1, line 5, after the word "Treasury", to strike out "not otherwise appropriated" and insert "allocated by the President for the maintenance and operation of the Civilian Conservation Corps", so as to make the bill read:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury allocated by the President for the maintenance and operation of the Civilian Conservation Corps, to Jacob Kaiser the sum of \$500 in full and final settlement of any and all claims against the Government of the United States for injuries suffered by him as a result of an accident involving a Government vehicle operated in connection with the Civilian Conservation Corps, on United States Highway No. 10, at a point approximately 12 miles east of Billings, Mont., on October 8, 1934: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### R. D. STEPHENS AND VERA STEPHENS

The bill (S. 3808) for the relief of R. D. Stephens and Vera Stephens was announced as next in order.

Mr. DUFFY. Mr. President, that bill was introduced by me; and, of course, I am favorable to its passage. However, if any member of the committee is present, I wish to ask what it was that actuated the committee in cutting down the amount to the sum which the committee suggests should be allowed to the two persons who were injured by the admitted negligence of the driver of a Government-operated truck.

A jury in the Federal Court for the Western District of Wisconsin set the damages to the man at \$2,250, and the damages to the wife at \$5,000. The wife had her back broken and her nose crooked as the result of the accident, and her knee was badly hurt.

I desire to know if there was some reason why the committee made that rather considerable reduction in the amount of damages that should be awarded in this case.

Mr. ROBINSON. Mr. President, what is the number of the bill?

Mr. DUFFY. It is Senate bill 3808, Calendar No. 2027, at the bottom of page 31. The case was one where the driver of a Civilian Conservation Corps truck was admittedly negligent, and smashed into the claimants; and the jury, in the case brought against the driver to determine the amount of damages in the Federal court, awarded the amount which I incorporated in the bill.

Mr. McKELLAR. The chairman of the committee is not here to make the explanation. Why not let it go over until the Senator can hear from him?

Mr. DUFFY. I believe it would be better to have the bill go over, because I really think there is no justification for the reduction in the amount of damages.

The PRESIDING OFFICER. The bill will be passed over.

#### WHITMAN NATIONAL MONUMENT

The bill (H. R. 7736) to provide for the establishment of the Whitman National Monument was announced as next in order.

Mr. McKELLAR. Mr. President, will the author of the bill explain it?

Mr. SCHWELLENBACH. Mr. President, the bill provides that the Government may accept, as a part of its national monument program, a certain piece of property which is being donated by the people of the city of Walla Walla, Wash., in commemoration of Marcus Whitman. In 1836 Whitman went to the Pacific Northwest, and a centennial celebration of that event is now being held. In connection therewith, a donation of this land is being made for the establishment of the Whitman National Monument.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Public Lands and Surveys with an amendment, on page 2, to strike out the last section, as follows:

SEC. 4. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

#### RUTH EDNA REAVIS (NOW HORSLEY)

The Senate proceeded to consider the bill (S. 4374) for the relief of Ruth Edna Reavis (now Horsley), which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That the statutory period of entry in the case of Buffalo, Wyo., 030423, Ruth Edna Reavis (now Horsley), is extended 2 years to permit the fulfillment of necessary residence and improvement requirements on the land.

#### AMENDMENT OF ENABLING ACT FOR ARIZONA

The bill (S. 4230) to amend section 28 of the Enabling Act for the State of Arizona, approved June 20, 1910, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That section 28 of the act entitled "An act to enable the people of New Mexico to form a constitution and State government and be admitted into the Union on an equal footing with the original States; and to enable the people of Arizona to form a constitution and State government and be admitted into the Union on an equal footing with the original States", approved June 20, 1910, is amended (1) by striking out the proviso in the third paragraph thereof and inserting in lieu thereof the following: "Provided, That nothing herein contained shall prevent said State of Arizona from leasing in a manner as the State legislature may direct, any of said lands referred to in this section for grazing and agricultural purposes for a term of 10 years or less, or from leasing any of said lands for mineral purposes (including leases for exploration of oil and gas and extraction thereof) for a term of 20 years or less"; (2) by striking out in the fourth paragraph thereof "nor in any case less than the minimum price hereinafter fixed"; (3) by striking out in the fifth paragraph thereof "\$3 per acre" and inserting in lieu thereof "their appraised value"; and (4) by inserting between the fifth and sixth paragraphs thereof the following new paragraph:

"The State of Arizona is authorized to exchange any lands owned by it for other lands, public or private, under such regulations as the legislature thereof may prescribe: *Provided*, That such exchanges involving public lands may be made only as authorized by acts of Congress and regulations thereunder."

The PRESIDING OFFICER. That completes the calendar.

Mr. HATCH and Mr. COPELAND rose.

Mr. HATCH. Mr. President, does the Senator from New York desire to bring a question before the Senate?

Mr. COPELAND. I have a privileged matter to bring before the Senate, the conference report on the Army appropriation bill.

#### THE WESTERN RANGE

Mr. NORRIS. Mr. President, if the Senator is going to make some remarks, I will ask him if he will not let me first ask unanimous consent for the adoption of a resolution requesting certain information from the Department of Agriculture and to make a few remarks in connection with it.

Mr. COPELAND. Very well.

Mr. NORRIS. Mr. President, at the present time there is great interest all over the country in regard to flood control and all kindred subjects. Connected with that idea is the control of winds, which, together with floods, bring great destruction in the West. I wish to present a resolution which proposes to bring to the Senate some information which I think will be very valuable for use in considering that subject. The information I refer to is now in the possession of the Department of Agriculture.

Lying to the west of the one hundredth meridian is an area of more than 700,000,000 acres of range lands. Because of the low precipitation or rough topography, this immense area—nearly 40 percent of the total land area of the continental United States—cannot, except for relatively small tracts suitable for irrigation, be used for much else than livestock grazing or other range purposes.

Within this territory, however, more than three-fourths of a million farm and ranch units are operated, having a combined investment of nearly \$13,000,000,000, of which about one-third is range. This range territory supports approximately 17,000,000 cattle and 29,000,000 sheep, or 28 percent of the cattle and 58 percent of the sheep of the entire United States. It supports nearly 7,000,000 persons, or about one-half the entire population of the West.

Water is the limiting factor in practically all western development. The water for irrigation, power, and municipal use comes largely from the range lands.

The use of the range is interwoven in the agricultural structure, and in fact the whole social and economic structure, of the great West.

Much of the range has been subject to heavy grazing since pioneer days. It is commonly reported that the resource has been seriously depleted over enormous areas, and that floods are increasing in number and destructiveness; and it is common knowledge that there have been serious land use and social and economic maladjustments which have had far-reaching consequences. Everyone is interested in trying to relieve the situation if it is possible for that to be done.

Although little appreciated, the range is in fact one of our great natural resources; and provision should be made for its conservation and wise use, not only in the control of the waters but in the control of the lands themselves for pasturage and range purposes. It should be of great value to Congress in its consideration of agricultural and conservation problems to have before it the fullest information now available. The purpose of my resolution is to obtain such information as the Department of Agriculture now has and such recommendations as the Secretary of Agriculture may make.

I understand that the Secretary of Agriculture has in the various bureaus of the Department of Agriculture a large fund of information which I think will be very valuable for our consideration in legislating upon this very important subject.

I therefore submit the resolution which I send to the desk, and after it shall have been read I shall ask unanimous consent for its present consideration.

The PRESIDING OFFICER. The resolution will be read.

The resolution (S. Res. 289) was read, as follows:

Whereas large parts of the western range have been subject to unrestricted use since settlement and are commonly believed to be more or less seriously depleted; and

Whereas the range resource constitutes one of the major sources of wealth to the Nation; and

Whereas the Department of Agriculture has through many years of research and of administration of the national forests accumulated a large amount of information on the original and present condition of the range resource, the factors which have led to the present condition, and the social and economic importance of the

range and its conservation to the West and to the entire United States: Be it

*Resolved*, That the Secretary of Agriculture be, and he hereby is, requested to transmit to the Senate at his earliest convenience a report incorporating this information, together with recommendations as to constructive measures.

Mr. NORRIS. I ask unanimous consent for the present consideration of the resolution.

The PRESIDING OFFICER. Is there objection?

There being no objection, the resolution was considered and agreed to.

#### WAR DEPARTMENT APPROPRIATIONS—CONFERENCE REPORT

Mr. COPELAND. Mr. President, I submit the conference report on the War Department appropriation bill and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The report will be read.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11035) "making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1937, and for other purposes," having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 6, 7, 23, 24, 26, 31, 32, 33, 34, 41 and 44.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 5, 8, 17, 19, 21, 22, 28, 30, 36, 37, 38, 39, 40, 46, 47 and 48; and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following: "settlement of claims (not exceeding \$500 each) for damages to or loss of private property resulting from such exercises that have accrued or may hereafter accrue, when payment thereof will be accepted by the owners of the property in full satisfaction of such damages, and each claim is substantiated by a report of a board of officers appointed by the commanding officer of the troops engaged, and is approved by the Secretary of War, whose action thereon shall be conclusive"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the number named in said amendment, insert: "one hundred and twenty-five"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "\$6,352,574"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$5,955,042"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$154,608,560"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$154,323,560"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following: "No payment shall be made from money appropriated in this Act to any officer on the retired list of the Army who, for himself or for others, is engaged in the selling of, contracting for the sale of, or negotiating for the sale of, to the Army or the War Department, any war materials or supplies."; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$3,103,527"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment amended to read as follows: "\$26,887,384, and, in addition, \$501,714 of the appropriation 'Pay of the Army, 1936', which shall remain available until June 30, 1937"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and

agree to the same with an amendment, as follows: In lieu of the sum proposed insert: "\$12,675,819"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$1,478,323"; and the Senate agree to the same.

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$916,990"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 4, 9, 20, 25, 29, 35, 42 and 45.

ROYAL S. COPELAND,  
CARL HAYDEN,  
MORRIS SHEPPARD,  
ROBERT D. CAREY,  
JOHN G. TOWNSEND, JR.,

*Managers on the part of the Senate.*

TILMAN B. PARKS,  
THOMAS L. BLANTON,  
THOS. S. McMILLAN,  
J. BUELL SNYDER,  
JOHN F. DOCKWEILER,  
CHESTER C. BOLTON,  
D. LANE POWERS,

*Managers on the part of the House.*

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. NORRIS. Mr. President, I should like to ask the Senator from New York about some of the amendments. What was done in the conference in regard to Senate amendment numbered 46?

Mr. COPELAND. That amendment was approved in the conference; I am very glad it was; and the authorship of the amendment had much to do with the conclusion of the matter in conference.

Mr. President, let me say that, strange as it may seem, because it is so unusual, the appropriations contained in this bill as it is now written are \$252,461 below the estimates. It is such an unusual thing to have this happen that I think it ought to be made a matter of record.

There are a few amendments which, under the rules of the House, must be voted upon by that body, but the conference was harmonious and we found ourselves in full agreement.

Mr. McNARY. Mr. President—

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Oregon?

Mr. COPELAND. I yield.

Mr. McNARY. I recall that when the bill was before the Senate a very considerable increase was made in the appropriation for the improvement of rivers and harbors. May I ask the Senator what action was taken as a result of the conference?

Mr. COPELAND. The Senate added \$50,000,000, and, besides that, it added \$8,000,000 for certain projects which were contested here—the Sardis Dam in Mississippi, the Conchas Reservoir in New Mexico, and the Bluestone Reservoir in West Virginia. The conferees decided that the Bluestone Reservoir had no standing because it had not been approved by either House of Congress; but as to the other items, one involving two and a half million dollars and the other three and a half million dollars, one or the other of the Houses having approved the measures, they were eligible, and therefore the conferees decided that the \$6,000,000 should be included in the bill.

Then we figured up and found we had some money left, so the conferees agreed to increase the river and harbor items over the bill as it came to the Senate from the House by \$15,000,000. So the appropriations for river and harbor items under the bill as agreed to in conference will be \$121,000,000 against the larger sum which we had hoped for here, but that particular item under the rules of the House must be approved by that body.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

## T. V. A. POWER RATES

Mr. McKELLAR. Mr. President, I wish to call attention to an article which appeared in the Commercial Appeal of Memphis, Tenn., on the 22d instant, concerning T. V. A. power received in 450 rural homes. The article, being a dispatch from Jackson, Tenn., in part reads as follows:

Electric lights are burning in 450 west Tennessee homes tonight for the first time.

The first link in T. V. A.'s rural-electrification program for west Tennessee became "hot" with power from Wilson Dam at 9:30 o'clock this morning. The power was relayed via the Corinth, Miss., substation.

At Enville, home of Glenn Hassell, president of the Pickwick Electric Membership Corporation, recently established to distribute T. V. A. power in rural areas, Mr. Hassell said that "We are especially glad to be on the first T. V. A. link for west Tennessee."

Then the article refers to a number of towns which are to be served in that district, and states:

The minimum charge for the first 25 kilowatts will be \$1. Each kilowatt thereafter will cost 3 cents.

Mr. President, what a tremendous reduction that represents from the prevailing rates for power throughout the country! I feel that this statement ought to be made and that the country ought to know what a wonderful work is being done by the T. V. A.

I ask that the entire article to which I have referred may be printed at this point in the RECORD as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Memphis (Tenn.) Commercial Appeal of Apr. 22, 1936]

T. V. A. POWER RECEIVED IN 450 RURAL HOMES—RURAL ELECTRIFICATION BENEFITS GO INTO SMALL TOWNS—KEROSENE LAMPS GO OUT—FIRST LINK IN WEST TENNESSEE REACHES MANY SETTLEMENTS—MINIMUM CHARGE IS \$1 FOR 25 KILOWATTS

JACKSON, TENN., April 21.—Electric lights are burning in 450 west Tennessee homes tonight for the first time.

The first link in T. V. A.'s rural electrification program for west Tennessee became "hot" with power from Wilson Dam at 9:30 o'clock this morning. The power was relayed via the Corinth, Miss., substation.

At Enville, home of Glenn Hassell, president of the Pickwick Electric Membership Corporation, recently established to distribute T. V. A. power in rural areas, Mr. Hassell said that "We are especially glad to be on the first T. V. A. link for west Tennessee."

## TOWNS ON ROUTE

Besides Enville, among other towns on the 70-mile line, are Leapwood, Milledgeville, Morris Chapel, Chewella, Ramer, and Finger. Farm homes in McNairy, Chester, and Hardin Counties are discarding kerosene lamps.

Although this is the first link for west Tennessee, these towns are not the first to receive T. V. A. power in the district.

Stantonville, Guy, and Michie have been receiving T. V. A. power from the Alcorn County, Miss., Electric Power Association.

In addition to the line opened today the Pickwick corporation will take over the 26 miles of west Tennessee lines from the Alcorn corporation.

The minimum charge for the first 25 kilowatts will be \$1. Each kilowatt thereafter will cost 3 cents.

Meanwhile the T. V. A. line to Jackson and other west Tennessee cities is moving forward rapidly. Nine carloads of equipment have arrived at Bemis for the work. The line is expected to be completed by July 15.

## W. P. A. ACTIVITIES IN NEW MEXICO

Mr. HATCH. Mr. President, I wish to take but a few minutes on the subject of boondoggling. Something has been said in this Chamber and much has been written in the newspapers on the subject of boondoggling. In some of the articles which have appeared in the newspapers of the country statements have been made about the State of New Mexico. I would that I had the time and the accurate information to give the Senate about the projects which have been approved and the work which is being done in my State. I shall not attempt to do that today, but to one particular town and county I desire to refer because of an editorial which appeared in the New York Sun under date of March 11, 1936.

The information which I wish to give to the Senate is contained in a newspaper article from the Clayton (N. Mex.) News under date of April 8, 1936.

I quote first the New York Sun editorial:

Among New Mexico's more important cities there is Clayton, population 2,512. It is served by two railroads, has an express agency, a post office, a bank, a telegraph station, and even an airport. It is also the focal point at which a number of excellent highways converge. A main national highway links it to the East and the West; two all-weather, gravel-surfaced roads connect it with towns to the north, the south, and southwest, while a dirt road provides the communication with the outlying villages of the mountainous hinterland to the northwest.

Yet President Roosevelt has approved the following W. P. A. projects for Clayton—

I call attention to the statement of the items which the President is said to have approved for projects in Clayton. The editorial continues:

Construct farm-to-market road, \$121,408; construct farm-to-market road to Hayden (a road linking Hayden and Clayton already exists), \$16,337; construct road, \$42,218; construct farm-to-market road, \$26,788; improve three farm-to-market roads, \$142,354; improve roadway and move fence, \$26,486; improve State road no. 58, \$29,453; improve streets, \$15,783; construct culverts, spillways, and drains, \$20,629; move bridge, \$6,753; replace water service lines, \$24,890; improve distribution system, \$24,937; improve park, \$1,050; construct five school buildings, \$12,252; and construct community center, \$12,555.

The editorial concludes as follows:

The total authorized expenditure is \$522,893, or \$209 per inhabitant—

Mr. NORRIS. Mr. President—

The PRESIDING OFFICER (Mr. CHAVEZ in the chair). Does the Senator from New Mexico yield to the Senator from Nebraska?

Mr. HATCH. Certainly.

Mr. NORRIS. Is the Senator still reading from the New York Sun editorial?

Mr. HATCH. Yes; I am reading from the editorial which appeared in the New York Sun and which concluded as follows:

The total authorized expenditure is \$522,893, or \$209 per inhabitant. The question arises how the citizens of this little metropolis managed to eke out an existence prior to the advent of Harry Hopkins and the adoption of boondoggling as a national pastime.

Mr. President, in fairness to the writer of the editorial I should say that it does not make the statement that this money has actually been expended. It does infer, however, that all these projects have been approved and this vast sum of money, amounting to \$209 per inhabitant of the town of Clayton, is being spent today.

First, I desire to call attention to the fact that Clayton itself is the county seat of Union County. It is more than 100 miles to the next county seat to the west—Raton. It is something like 75 miles to the next county seat to the south. Clayton is in the northeast corner of New Mexico, in the midst of what has been termed the "dust bowl" area, a section which has suffered the most severe drought for the last 3 years of any section of the country unless it be the county of Las Animas, in Colorado, just across the line in Colorado. I see the Senator from Colorado [Mr. ADAMS] is present and honoring me with his attention.

The implication of this editorial is that all this money has been spent in the "little village of Clayton", as it is termed. I want to show just exactly what has been done under these projects and just what they mean. I now quote from the News, a newspaper published at Clayton, N. Mex.:

Now let us take up each project mentioned in turn.

Construction, farm-to-market roads, \$121,408.

That was the statement in the Sun editorial.

This road makes possible a saving of about 75 miles to the residents of that section of the county going and coming to Des Moines.

That saving is made not alone to the city of Clayton but to that entire area, a saving of 75 miles of distance going and coming, and not even to Clayton but to Des Moines, another town in the county.

It is a hard-surfaced, all-weather road, a needed and permanent improvement, and the money allotted was only \$12,372.

Instead of being \$121,000 as stated in the New York Sun editorial, the amount of the Presidential approval and the actual cash allotted was \$12,372. That was the enormous sum allotted to be spent on that highway.

The news article continues:

The Hayden Road, \$16,337.

That is the figure according to the Sun editorial.

This road connects one of the better agricultural sections with State Road 18 and serves a large community; another needed and lasting project, with money allowed amounting to \$2,687.43.

In other words, the money actually allotted was not \$16,337, as stated in the Sun editorial, but was \$2,687.

The news item continues:

Highway 18 at Amistad, \$42,218. This construction is a link in the north-to-south main highway, one of the important State highways, and a continuation of work started some 3 years ago. It consists of grading and caliche surfacing, and there was allotted \$17,218.

There was allotted \$17,218, and not \$42,218, as stated by the New York Sun.

Improve roadway, \$26,788. A main artery of travel serving a large farming and ranching section near Grenville on State road 120. The money allotted was \$16,788.

Not at Clayton at all, but near Grenville, N. Mex., in another part of the county on State Road 120. The money actually allotted was not \$26,798, as stated in the Sun editorial, but was \$16,788.

Three farm-to-market roads, \$142,354. One of these projects is east of Grenville on State Road 120 and is a continuation of work started that had to be stopped for lack of funds.

By the way, I do not believe as yet a single one of these projects is located in the city of Clayton.

Another is a road from Perico to Highway 58 to serve a farming community, but as no money was allotted no work has ever been done. The last one is the road from Des Moines to Guy, but like the second project no money has been allotted and no work done. On the one allotment the amount was \$6,800.

Improve roadway, \$26,486.

That is one of those terrible boondoggling projects. The facts are that the project has not as yet been started and not a single cent has been allotted to that project.

Improve roadway, \$26,486. This project has never been started because no funds were allotted for it.

Improvement on State Road 58, \$29,453. This is our connecting road with the State capital, with heavy travel, an important link in our highway system and a continuation of improvements that were started and unfinished 4 years ago. The amount allotted was only \$17,453.

Improvement to streets, \$15,793.

This was in the city of Clayton.

Improvement to streets, \$15,783. This project hard-surfaces about 3 miles of Clayton streets, a project that was badly needed but one that the city did not or would not have the funds to do. The full amount was allotted. One of the best W. P. A. projects in the county.

Construction of culverts and spillways, \$20,629. It makes an almost impassable highway passable for the farmers and ranchers living north of Clayton.

The allotment, however, is not \$20,000; it is only \$12,629.

Moving bridge, \$6,753. This bridge spans the Carrizozo on State Highway 18 to Kenton.

Another community in the county.

Floodwater took it out 2 years ago, and trucks hauling alfalfa from the Cimarron Valley to Clayton could not travel the detour through the creek, and as a result had to detour through Boise City, Okla., or through Folsom, making an additional 50-mile haul getting to market.

The sum of \$6,753 has been spent to save that 50-mile additional haul to the farmers in the Cimarron Valley, not in the city of Clayton.

Replace water service, \$24,890. This—

According to the Clayton newspaper—

is one of the best W. P. A. projects in the State, if not in the United States. The town was losing about 40 percent of the water pumped due to old wooden mains put in service 15 years ago, and did not have the money to replace them. This project, now more than 70 percent complete, will save that loss, save pumping costs, and insure Clayton a water supply.

The allotment, however, is not \$24,890, but the actual sum allotted is \$18,973.

Improve distribution system, \$24,937.

This is a continuation of the water project to which I have referred, but the allotted money was \$18,890, not \$24,937.

Improve park, \$1,050.

It is a terrible thing, I suppose, that the residents of Clayton, N. Mex., might desire a city park, and might expend thereon the mighty, tremendous sum of \$1,050. That money was spent for the improvement of the city park in Clayton, providing a better system of drainage, and throwing the surplus water to the trees of the park. Those who have never lived in the arid regions of the West perhaps may not appreciate or understand what throwing excess water supply to trees and the cultivation and growing of trees means to a city such as Clayton, in northeastern New Mexico.

Construction of school buildings, \$12,252.

We are censured for having constructed school buildings in Clayton, N. Mex.—this town which the New York Sun says has a population of 2,500—and, therefore, I presume it is wrong to build a school building in Clayton, N. Mex. However, the facts do not point that way. The school buildings were not even built in Clayton. The sum provided included necessary repairs to school buildings at Capulin, Hayden, Mount Dora, and Otto, other villages and communities in Union County. Several of these four school buildings, with a total enrollment of 258 pupils, were in such condition that their use for classrooms could not have been continued longer if the money had not been spent. The county did not have the money with which to make the necessary repairs. All of that money—\$12,252—has been used, Mr. President, in this wasteful and extravagant manner of repairing school buildings in four rural communities in Union County, N. Mex. It may be waste and extravagance, but I say that the Works Progress Administration is to be complimented and commended for spending \$12,000 for such a useful and worth-while purpose.

Community center, \$12,555.

This project was to be used as a high-school gymnasium and community center for rural-school athletic tournaments; but the money was not allotted, and the work was never started. Yet, Mr. President, that sum is included in an editorial in the New York Sun as having been spent for "boondoggling", and is instanced as a waste of Federal funds. My only regret is that the money was not allotted, and it has not been spent. I think tomorrow morning I shall go to see Mr. Hopkins and see if that \$12,000 cannot still be allotted for the purpose of building a community center for rural-school athletic tournaments and a high-school gymnasium.

The Clayton newspaper goes on to say:

It will be seen that every project was one that will serve some community interest. For 3 years an unprecedented drought has existed in Union County. Strictly a farming and stock-raising district, lack of crops and grass has reduced a large majority of the farmers and stockmen to dire straits. More than 1,000 of them have worked on these W. P. A. projects, and from their small wages have managed to exist, waiting for the rains that will mean financial independence again. Had they not had employment on these projects, they could not have remained, but would have had to move on, leaving behind them a lifetime of effort. This fact was taken into consideration by the heads of the political subdivisions before they agreed to sponsor the projects.

The Sun is merely trying to make the citizens of the East believe that the citizens of the West, and Union County in particular, at least in this one editorial, are trying to profit at Government expense, when the truth is that the very projects they are deploring are not only worth while but are the only means of feeding more than a thousand families, suffering not from depression, but drought.

Another unfair thing is to arrive at the per-inhabitant cost by dividing the population of Clayton into the application cost, when it should be on a county-population and money-allotted basis. Our county has approximately 3,700 square miles, more than many of the eastern States. On that basis it is nearer \$20 per inhabitant than \$209, the figure at which the Sun so erroneously arrived.

That is, Mr. President, the newspaper article says that computing the money actually allotted to the population of

the county, the great, tremendous sum which has been allowed to Union County in this extremely "wasteful and extravagant" effort of the Works Progress Administration has not been \$209 per inhabitant, but in reality it will figure about \$20 per inhabitant.

Continuing the newspaper article, it says:

We here in Union County are grateful to the W. P. A. They have made possible for us repairs to our roads, schoolhouses, and water-distribution systems, repairs we could not have thought of starting without their aid. The large majority of farmers have not harvested enough off their farms the last 3 years to pay taxes. When such a condition exists with the taxpayers it is reflected in public funds.

Workmen on projects have turned in a fair day's work for the wages they were paid. It may mean boondoggle to the Sun, but to Union County it means a small wage that will keep the children of the family from having to go supperless to bed; it means an opportunity to stay when there is no place to go.

Be fair, Mr. Editorial Writer for the Sun. We have the fighting spirit out here in the West. The depression that nearly floored you we brushed aside as of no consequence, but try fighting a drought; that takes real courage, and sometimes help. Do not begrudge the small aid the W. P. A. granted us, please.

Mr. President, I shall not add more to what has been said by the newspaper writer in Clayton, N. Mex. He has well and ably stated the case for Union County and the Works Progress Administration. We have no apologies to offer. The work has been done. The money allotted has been spent on projects which are worth while, and which will be of lasting benefit and improvement.

#### APPROPRIATIONS FOR THE STATE, JUSTICE, ETC., DEPARTMENTS

The PRESIDING OFFICER laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 12093) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1937, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. McKELLAR. I move that the Senate insist upon its amendments, agree to the conference requested by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. McKELLAR, Mr. RUSSELL, Mr. PITTMAN, Mr. HALE, and Mr. NYE conferees on the part of the Senate.

#### WORKS PROGRESS ADMINISTRATION

Mr. WAGNER. Mr. President, on April 20, in the course of his remarks, the Senator from Pennsylvania [Mr. DAVIS] criticized some of the activities of the W. P. A. Among other things, he criticized the so-called Federal theater projects and introduced into the RECORD letters from some critics of those projects. The impression was created that that was a generally accepted criticism by those who were informed as to the activities of the W. P. A. with reference to the theater projects. The contrary is the fact.

I desire to read just two telegrams, and then ask that the other telegrams in relation to this project—and they are from persons who are in a position to know—be printed in the RECORD.

One telegram is from Mr. Frank Gillmore, who is the president of the Actors' Equity Association, an association of which nearly all the actors in the United States who have been interested in these projects are members. Mr. Gillmore says, referring to the letter which was placed in the RECORD on April 20:

NEW YORK, N. Y., April 24, 1936.

The Honorable ROBERT F. WAGNER,

United States Senate:

In reference to a letter addressed to Senator COPELAND and maybe to others by a Mr. E. J. Blunkell, criticizing the administration of the Federal theater project, I wish to officially inform you that his views are those of a private individual and in no way represent the Actors' Equity Association; indeed, we indignantly repudiate his opinion. No one in our employ has the right to speak for the Actors' Equity except the council or its president. I request that this telegram be read to the Senate and be printed in the CONGRESSIONAL RECORD. Best wishes.

Yours respectfully,

FRANK GILLMORE,  
President, Actors' Equity Association,  
45 West Forty-seventh Street, New York City.

There is another telegram, from some veterans. It was alleged that the World War veterans are also critical of these projects. This telegram reads:

NEW YORK, N. Y., April 24, 1936.

Hon. ROBERT F. WAGNER,

Senate Office Building:

Undersigned veterans, World War, employed Federal theater, protest reading of Federal Theater Veterans League petition on Senate floor as untrue and not representative of veterans' viewpoint. Request you read this telegram into RECORD.

MORRIS WATSON,  
PIERRE DE ROHAN,  
ROSAMOND GILDER.

There is only one other telegram which I shall read, a message from Mr. Frank Crumit, who is the head of the Lambs' Club of New York. Mr. Crumit is today one of our most famed actors. He says:

NEW YORK, N. Y., April 18, 1936.

Hon. ROBERT F. WAGNER,

United States Senator from New York, Washington, D. C.:

The Lambs, the largest and most important theatrical club in the world, wishes to endorse the Federal theatrical project and urge that it be continued on a national basis. We deplore the prospect of the abandonment of its activities at this time.

FRANK CRUMIT, *Shepherd*.

Mr. President, I ask that other telegrams I have received on this subject be printed in the RECORD.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

NEW YORK, N. Y., April 24, 1936.

Hon. ROBERT F. WAGNER,

United States Senate, Washington, D. C.:

On account of the wonderful work that the Federal theater project has been doing, we, the voters in your State ask you to bend every effort to continue the Federal theater project under Federal control after June 13.

TROUPERS' CLUB ASSOCIATION, INC.,  
S. F. MANNING, *Secretary*.

NEW YORK, N. Y., April 18, 1936.

ROBERT F. WAGNER,

United States Senate, Washington, D. C.:

We understand that on July 1 the Works Progress Administration is to be turned over to the States. We strongly urge, indeed beg of you, to fight for a continuation of the Federal theater project now part of Works Progress Administration on a national basis. It is likely to pass out of existence if handled by the States, and the generous assistance which the Government has given to all those connected with the theater will be a thing of the past.

Yours respectfully,

FRANK GILLMORE,  
President, Actors Equity Association.

NEW YORK, N. Y., April 21, 1936.

Senator ROBERT F. WAGNER,

Washington, D. C.:

On behalf the members of this union and the many thousands of theatrical people who are dependent on the W. P. A. theatrical project for their actual physical existence I earnestly plead with you for the continuation of same on a national basis.

JOHN C. McDOWELL,  
Theatrical Protective Union No. 1.

ALBANY, N. Y., April 21, 1936.

Hon. ROBERT WAGNER,

Capitol:

Due to fact that Federal theater projects at present affords employment to several thousand of our members, we unanimously urge this movement be perpetuated.

WM. C. FOLEY,  
Secretary, Motion Picture Operators Local 324.

NEW YORK, N. Y., April 22, 1936.

Senator ROBERT F. WAGNER,

United States Senator, Washington, D. C.:

Children's Theatre Co. protest transfer of W. P. A. art projects from Federal to State administration. Such change inimical to our well being as professional workers and menace to existence of American stage. We demand continuance of all W. P. A. projects and expansion of Federal theater into a permanent national theater.

SIXTY-FIVE MEMBERS, CHILDREN'S THEATRE.

NEW YORK, N. Y., April 23, 1936.

Hon. ROBERT F. WAGNER,

Senate Office Building, Washington, D. C.:

In view of splendid achievement in providing cultural entertainment for masses and employment and rehabilitation for workers, urge you to see that Federal theater is continued permanently on national basis under Federal control.

LUCY HUFFAKER,  
25 East Thirtieth Street.

NEW YORK, N. Y., April 23, 1936.

Senator ROBERT WAGNER,

*Senate Office Building, Washington, D. C.:*

In view of success in providing employment for many workers and furnishing cultural entertainment at low prices, urge you to see Federal theater is continued permanently on national basis under Federal control.

RITA LENNON,  
32 East Sixty-first Street.

NEW YORK, N. Y., April 22, 1936.

Hon. ROBERT F. WAGNER,

*Senate, Washington, D. C.:*

Vote for continuation of Federal theater project under Federal administration.

RAYE LAPIN.

NEW YORK, N. Y., April 22, 1936.

Senator ROBERT WAGNER,

*United States Senate, Washington, D. C.:*

Please support any action for the renewal of the Federal theater project of the W. P. A. in its complete set-up for another year under Government control.

Mrs. FRANK LOMBARDO,  
River Street, Paterson, N. J.

BROOKLYN, N. Y., April 23, 1936.

Senator ROBERT WAGNER,

*United States Senate, Washington, D. C.:*

Urge you to use your influence to keep Federal theater project under control of present set-up at Washington with Mrs. Flanagan, and not to turn it over to State or city of New York. Project is doing splendid work. Any change of administration would certainly ruin everything. I speak from complete knowledge of the situation. I have no personal connection with the project and appeal only as playgoer, teacher, dramatic critic.

S. M. TUCKER,  
Professor, Polytechnic Institute of Brooklyn.

NEW YORK, N. Y., April 23, 1936.

Hon. ROBERT F. WAGNER,

*Senate Building, Washington, D. C.:*

We, the constituents of your State, expect you to oppose the transfer of the four Federal arts projects to State control, believing the change to be detrimental to our interests. This change would hamper and curtail these projects and reduce them from present high state of efficiency and worth.

W. P. A. Diction Class, Textile High School W. P. A. Diction Class, Lester Dine, Kitty Cantor, Freda Kubeck, S. A. Boroty, Joseph Rosenkranz, Joseph J. Schwartz, Jean De Salvo, Peter Ayvolidis, Gasperino Midola, Textile High School, Irving Monerman, Harold Becker.

NEW YORK, N. Y., April 23, 1936.

Hon. ROBERT WAGNER,

*United States Senate, Washington, D. C.:*

I urge continuation of the National Federal theater project after June 30 under direct Federal supervision. Project is of great credit to the American theater. Broadway can well learn a lesson from some of the Federal theater hits.

IRA S. WILSON.

NEW YORK, N. Y., April 23, 1936.

Senator ROBERT WAGNER,

*Senate Office Building, Washington, D. C.:*

Because Federal Theater has succeeded in furnishing high-class entertainment at low prices and given work and hope to many workers urge you to see Federal Theater continues permanently on national basis under Federal control.

ELIZABETH LENNON,  
352 West Fifty-sixth Street, New York City.

NEW YORK, N. Y., April 23, 1936.

Senator ROBERT WAGNER,

*United States Senator:*

Urge continuance of Federal Theater projects on national basis to prevent practical destitution among stage employees.

J. A. DELANEY,  
Local 52, I. A. T. S. E.

NEW YORK, N. Y., April 24, 1936.

Senator ROBERT F. WAGNER,

*Senate Office Building, Washington, D. C.:*

Considering remarkably successful record of Federal theater so far in giving fine entertainment to masses and returning many workers to employment and self-respect. Ask you to see that this work is continued permanently on national basis under Federal control.

MARIA L. DAVIES,  
470 West End Avenue.

NEW YORK, N. Y., April 24, 1936.

Senator ROBERT F. WAGNER,

*Senate Office Building, Washington, D. C.:*

W. P. A. Theater does splendid job giving poor people excellent entertainment at low prices and furnishes employment to worthy unemployed citizens. Urgently request this fine undertaking now

be made permanent Federal Theater on national basis under Federal control.

KURT BRUCKNER,  
HUGO WILKENS,  
WM. O. DIETRICH,  
KLAUS WANDMACHER.

NEW YORK, N. Y., April 24, 1936.

Senator ROBERT F. WAGNER,

*Senate Office Building, Washington, D. C.:*

Federal Theater has been eminently successful in supplying public with entertainment of high quality at low prices and artists of ability with employment. Urge you not to endanger value of work now so auspiciously started, but to see that Federal Theater is continued permanently on national basis, under Federal control.

MRS. GERTRUDE SMITH,  
470 West End Avenue.

NEW YORK, N. Y., April 23, 1936.

Senator ROBERT F. WAGNER,

*Senate Office Building, Washington, D. C.:*

Now that Federal Theater is successfully providing excellent plays at popular prices, and employment for artists of theater, of ability, am alarmed at rumors of spoiling achievement by change; ask you do utmost to continue Federal Theater on national basis under Federal control.

MRS. JOHN J. FAUTH,  
235 West Seventy-fifth Street.

NEW YORK, N. Y., April 23, 1936.

Senator WAGNER,

*Washington, D. C.:*

As an American citizen and voter for you I ask that you vote appropriations for the continuance of the dance music, art, and theater projects under Federal control after June 30, 1936. These must remain as Federal projects. Pass the Marcantonio bill.

FRANCES DAVIS,  
195 West Tenth Street.

NEW YORK, N. Y., April 23, 1936.

Hon. ROBERT F. WAGNER,

*Senate Office Building, Washington, D. C.:*

Federal Theater has successfully provided reemployment for capable theater people and produced worth-while plays at popular prices. Good work must not stop. I urge you to fight for continuing Federal Theater under Federal control after June 30, on a national basis.

GEORGE D. ROSENBAUM.

#### EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

#### EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. CHAVEZ in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

#### EXECUTIVE REPORTS OF COMMITTEES

Mr. WALSH, from the Committee on Naval Affairs, reported favorably the nominations of sundry officers in the Navy and the Marine Corps.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the first nomination in order on the calendar.

#### PUBLIC HEALTH SERVICE

The legislative clerk read the nomination of Asst. Surg. Edward C. Lutton to be passed assistant surgeon.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

#### POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc. That completes the calendar.

## LEGISLATIVE SESSION

Mr. ROBINSON. I move that the Senate resume legislative session.

The motion was agreed to, and the Senate resumed legislative session.

## DEATH OF REPRESENTATIVE JOHN T. BUCKBEE, OF ILLINOIS

The PRESIDING OFFICER. The Chair lays before the Senate resolutions from the House of Representatives, which will be read.

The Chief Clerk read the resolution (H. Res. 495), as follows:

IN THE HOUSE OF REPRESENTATIVES, UNITED STATES,

April 23, 1936.

*Resolved*, That the House has heard with profound sorrow of the death of Hon. JOHN T. BUCKBEE, a Representative from the State of Illinois.

*Resolved*, That a committee of four Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

*Resolved*, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of the these resolutions, and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

*Resolved*, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

*Resolved*, That, as a further mark of respect, this House do now adjourn.

Mr. ROBINSON. Mr. President, both Senators from Illinois are necessarily absent. It was my privilege to know intimately the late Hon. JOHN T. BUCKBEE, who represented the Twelfth District of Illinois. With the expression of my deep regret that he has passed away, I present the resolutions, which I send to the desk, and I ask for their immediate consideration.

The resolutions (S. Res. 291) were read, considered by unanimous consent, and unanimously agreed to, as follows:

*Resolved*, That the Senate has heard with profound sorrow the announcement of the death of Hon. JOHN T. BUCKBEE, late a Representative from the State of Illinois.

*Resolved*, That a committee of two Senators be appointed by the Vice President to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

*Resolved*, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

The PRESIDING OFFICER. Under the second resolution the Chair appoints the senior Senator from Illinois [Mr. LEWIS] and the junior Senator from Illinois [Mr. DIETERICH] as the committee on the part of the Senate.

## RECESS

Mr. ROBINSON. Mr. President, as a further mark of respect to the memory of the deceased Representative, I move that the Senate do now take a recess until 12 o'clock noon on Monday next.

The motion was unanimously agreed to and (at 3 o'clock and 45 minutes p. m.) the Senate took a recess until Monday, April 27, 1936, at 12 o'clock meridian.

## NOMINATIONS

*Executive nominations received by the Senate April 24, 1936*

## PUBLIC WORKS ADMINISTRATION

Alexander Allaire, of Arkansas, to be State director of the Public Works Administration in Arkansas.

Henry S. Geismer, of Alabama, to be State director of the Public Works Administration in Alabama.

## WORKS PROGRESS ADMINISTRATION

Joseph E. Parker, of Montana, to be State administrator in the Works Progress Administration for Montana, vice Ray Hart.

## APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

## TO ADJUTANT GENERAL'S DEPARTMENT

Maj. James Truman Menzie, Cavalry, with rank from August 1, 1935.

## TO CAVALRY

Capt. Harry William Miller, Ordnance Department, with rank from August 1, 1935, effective June 20, 1936.

## PROMOTIONS IN THE REGULAR ARMY

## MEDICAL CORPS

## To be colonels

Lt. Col. George Burgess Foster, Jr., Medical Corps, from April 19, 1936.

Lt. Col. Joseph Casper, Medical Corps, from April 20, 1936.

## To be captain

First Lt. Gordon G. Bulla, Medical Corps, from April 19, 1936.

## APPOINTMENT IN THE NAVY

Rear Admiral Gilbert J. Rowcliff to be Judge Advocate General of the Navy, with the rank of rear admiral, from the 1st day of June 1936, for a term of 4 years.

## CONFIRMATIONS

*Executive nominations confirmed by the Senate April 24, 1936*

## PUBLIC HEALTH SERVICE

Edward C. Lutton to be passed assistant surgeon in United States Public Health Service.

## POSTMASTERS

## LOUISIANA

Veronica J. Lambert, Goodhope.

Mildred P. Prescott, Litcher.

## MISSOURI

Fay R. Webb, Miller.

Marcus J. Heathman, Paris.

Cora Hibbard Peter, St. Clair.

Fred Blattner, Jr., Wellsville.

## NEW HAMPSHIRE

Eli J. King, Berlin.

William P. Nolin, Claremont.

J. Edward Damour, Henniker.

Georgia Du Devoir, Hooksett.

Arthur A. Croteau, Marlboro.

James E. Shepard, 2d, New London.

Albert F. Priest, Newmarket.

Edward A. Davis, North Conway.

Martin J. Keenan, Peterborough.

Patrick J. Duffy, Salmon Falls.

William H. Pascoe, West Ossipee.

## NORTH CAROLINA

Walling D. Vreeland, Fort Bragg.

Fred H. Holcombe, Mars Hill.

Perla H. Brey, Roper.

Charles O. Cooper, Saluda.

James Russell Wiggins, Wake Forest.

William M. Sutton, Windsor.

Selvin N. Blanchard, Woodland.

## TEXAS

Arvel O. Pickens, Whittenburg.

## WEST VIRGINIA

Arthur Jackson, Littleton.

John R. Plattenburg, New Cumberland.

Claude E. Mills, Newell.

Denvil G. Dillion, Whitesville.

## HOUSE OF REPRESENTATIVES

FRIDAY, APRIL 24, 1936

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father of everlasting love, we thank Thee for the merciful privilege of coming to Thee in prayer. May it be

in the spirit of Him who taught us to say, "Our Father." We beseech Thee that His presence may come mightily upon us to strengthen, encourage, and guide us that we may attain the service we have pledged our country. Do Thou guard us in our contact with our fellow men, lest we be unmindful of the admonition, "Judge not that ye be not judged, for with what judgment ye judge, it shall be measured to you again." Heavenly Father, help us to heed the injunction, "Whatsoever ye would that men should do to you, do ye even so to them." Once more in the dispensation of Thy providence our hearts are bowed; another Member has left us. The angel of death has borne him to a higher service. Comfort, we beseech Thee, all members of his fireside; may they go forward with strong faith and quickened hopes to the larger life that awaits the children of God. Amen.

The Journal of the proceedings of yesterday was read and approved.

#### MESSAGE FROM THE PRESIDENT

A message from the President of the United States announced that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On April 17, 1936:

H. R. 11053. An act authorizing the President to present the Distinguished Service Medal to Commander Percy Todd, British Navy, and the Navy Cross to Lt. Comdr. Charles A. deW. Kitcat, British Navy;

H. R. 11691. An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1937, and for other purposes; and

H. R. 11968. An act relating to the authority of the Reconstruction Finance Corporation to make rehabilitation loans for the repair of damages caused by floods or other catastrophes, and for other purposes.

On April 20, 1936:

H. R. 6544. An act to conserve the water resources and to encourage reforestation of the watersheds of Santa Barbara County, Calif., by the withdrawal of certain public lands, included within the Santa Barbara National Forest, Calif., from location and entry under the mining laws;

H. R. 9997. An act granting a leave of absence to settlers of homestead lands during the year 1936;

H. R. 11327. An act to exempt from taxation receipts from the operation of Olympic games if donated to the State of California, the city of Los Angeles, and the county of Los Angeles; and

H. J. Res. 568. Joint resolution to provide an additional appropriation for fees of jurors and witnesses, United States courts, for the fiscal year 1936.

On April 21, 1936:

H. R. 3806. An act to establish a commercial airport for the District of Columbia.

#### WAR DEPARTMENT APPROPRIATION BILL, 1937

Mr. PARKS, from the Committee on Appropriations, submitted a conference report on the bill (H. R. 11035) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1937, and for other purposes, for printing in the RECORD.

#### STATE, JUSTICE, COMMERCE, AND LABOR DEPARTMENTS APPROPRIATION BILL, 1937

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 12098) making appropriations for the Departments of State and Justice and for the Judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1937, and for other purposes, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. McMILLAN, CARY, TARVER, McANDREWS, RABAUT, BACON, and Mrs. KAHN.

#### CALL OF THE HOUSE

Mr. TREADWAY. Mr. Speaker, I make the point of order that there is not a quorum present.

The SPEAKER. The Chair will count. [After counting.] Evidently there is no quorum present.

Mr. BANKHEAD. Mr. Speaker, I move a call of the House. A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 76]

Allen	Dockweiler	Hook	Pettengill
Andrew, Mass.	Dorsey	Houston	Pierce
Barden	Driver	Huddleston	Quinn
Berlin	Duffey, Ohio	Imhoff	Rankin
Bolleau	Duffy, N. Y.	Jacobsen	Ransley
Bolton	Dunn, Miss.	Jenckes, Ind.	Rayburn
Brennan	Dunn, Pa.	Jenkins, Ohio	Reilly
Brooks	Eagle	Johnson, Okla.	Richardson
Buckley, N. Y.	Eaton	Johnson, W. Va.	Rogers, Okla.
Bulwinkle	Edmiston	Kee	Romjue
Caldwell	Ellenbogen	Keller	Sabath
Carmichael	Fenerty	Kerr	Sadowski
Cary	Ferguson	Kleberg	Sandlin
Castellow	Fitzpatrick	Kniffin	Schaefer
Cavichia	Flannagan	Kopplemann	Sirovich
Chapman	Focht	Kvale	Sisson
Chalaborn	Frey	Larrabee	Smith, Wash.
Clark, Idaho	Gambrill	Lea, Calif.	Somers, N. Y.
Clark, N. C.	Gasque	Lehlbach	Stack
Coffee	Gavagan	Lemke	Starnes
Collins	Gehrmann	Lundeen	Steagall
Colmer	Gifford	McAndrews	Stewart
Connelly	Gillette	McGrath	Sumners, Tex.
Cooley	Gingery	McGroarty	Sweeney
Crosby	Gray, Pa.	Marshall	Thomas
Crowther	Greenway	Merritt, Conn.	Turpin
Culkin	Gregory	Mitchell, Tenn.	Utterback
Curley	Guyer	Montague	Weaver
Darden	Halleck	Montet	White
Darrow	Hancock, N. Y.	Moritz	Wigglesworth
Dear	Hancock, N. C.	Nichols	Wilson, Pa.
Dempsey	Hartley	Norton	Withrow
DeRouen	Hennings	O'Connell	Wolcott
Dietrich	Hill, Knute	Oliver	Wolfenden
Dingell	Hobbs	Palmisano	Wood
Ditter	Hoepfel	Peterson, Fla.	Zimmerman

The SPEAKER. Two hundred and eighty-three Members are present, a quorum.

Mr. COOPER of Tennessee. Mr. Speaker, I move to dispen-  
 The motion was agreed to.

#### LET'S FACE THE TAX PROBLEM

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by inserting speeches made last night at Town Hall, New York, by the gentleman from California [Mr. BUCK], and the gentleman from Massachusetts [Mr. TREADWAY].

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. DOUGHTON. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following addresses delivered by the gentleman from California [Mr. BUCK] and the gentleman from Massachusetts [Mr. TREADWAY] before the Town Hall, New York, on April 23:

#### RADIO ADDRESS BY HON. FRANK H. BUCK, OF CALIFORNIA

Mr. Moderator, ladies and gentlemen of the Town Hall, taxation must always be faced. Civilized nations having come to the conclusion that governments must exist for the protection of property, life, and the well-being of the people, realize that governmental functions which are called into existence must be paid for. They must be paid for in the form of taxes, but new taxes are always objected to, and changes in tax rates made necessary by changing conditions, including increasing governmental activities demanded by the people themselves, are always the object of criticism. Present tax consciousness, so far as the Federal Government is concerned, has arisen from certain events that have taken place since January 1936.

In his Budget message of January 3, 1936, the President stated that the increase in revenues, then evident, would ultimately meet and pass the declining cost of relief, outside of which, for the general expenses of the Government, sufficient income was already available. Legislation involving new expenditures, he warned, would require new taxation. Since that message was sent to Congress, the decision of the Supreme Court invalidated the processing taxes levied under the Agricultural Adjustment Act, which had been included as income in the 1936 and 1937 budgets, and Congress notwithstanding decided to make full payment of the

benefits which had accrued to farmers under existing agricultural-adjustment contracts. These two decisions imposed the necessity of raising an additional \$517,000,000, to be spread over 3 years.

The other two events are the enactment by Congress of the Soil Conservation Act, which, when carried out fully, will require a permanent annual Treasury income of \$500,000,000; and the passage of the Adjusted Compensation Payment Act, which will add an annual charge of \$120,000,000 for the next 9 years.

We are, therefore, concerned not with theory but with the very practical consideration of raising these sums of money in an equitable fashion.

It is the privilege of the taxpayer to have tax laws strictly construed. It is equally the duty of those delegated to secure revenue to see that all loopholes in them are closed. This the pending tax bill proposes to do, and in doing so, places all taxpayers on an equal basis.

People do not object to taxation to pay for what they have demanded in the way of governmental service if they consider the basis of taxation is fair. The proposals for permanent legislation in the pending tax bill, which are all my time permits me to discuss, do promote the principle of equity in our tax system. The major purposes of the revised corporation tax are to prevent the avoidance of surtaxes by individual shareholders; to remove the inequalities now existing between corporations, partnerships, and individuals; and to remove similar inequalities between large and small stockholders in the same corporation.

Simplification of the tax structure will also be accomplished by the repeal of the present capital-stock tax after the end of the current fiscal year, and the repeal of the present excess-profits tax, thus leaving simply one tax on corporations. Generally speaking, the bill proposes to repeal the present graduated tax on corporate income, and to provide a graduated scale of taxation on adjusted net income based upon the proportion which may be retained by the corporation. The rate of tax will depend upon the ratio of the undistributed net income to the adjusted net income. But corporations with not more than \$10,000 net income may retain up to 40 percent of it and still pay a less tax than they do now to the Government. Corporations with more than that amount of income may retain around 30 percent of the year's earnings and profits and still pay no more tax than they do now. In 3 years, therefore, at the most, any corporation can increase its surplus by as much as 100 percent of a year's income and pay no more tax than it does today. You must remember that there is no tax to be levied on existing surpluses; that there is consideration to be given and adjustments in tax rates made for income used to pay off existing debts; that a corporation which pays out all of its adjusted net income in dividends will pay no tax where it is taxed now from 12½ to 15 percent on its entire net income.

Of course, the corporation actually will not be the sufferer. It is the individual who holds a large amount of stock in some profitable corporation and who now, through that corporation's failure to declare dividends, is escaping surtaxes, who is behind the protest against this principle of taxation. He does not want to consider existing tax inequalities.

What is a corporation? It is a fiction of law, a legal entity created and recognized solely by law, and therefore it is subject to the law entirely. It is entitled to no special privilege. Corporation earnings which are not currently distributed in dividends now escape surtaxes either for long periods or altogether. But if you and I are in a partnership, the law says that even if we do not draw our share of the partnership's earnings we must pay a tax on those undivided profits as if we had received them; and if as an individual I am in business, of course, I must pay a tax on my entire net earnings. Corporations by and large do not exist for the purpose of evading taxes. There are many other great advantages which the corporate form of structure enjoys—limited liability, among others—but there have been corporations and there are still those today who abuse their corporate privileges. Let us remember how in the stock-market days of 1928 and 1929 corporations with huge undistributed surpluses lent their money out at "call rates" for speculation. Thus they contributed in no small measure to the resulting stock-market crash. Except where used in this undesirable form, these unreasonable accumulations of surpluses are idle money. If, under undue optimism, directors and managers use them for unwarranted overexpansion of plant or production facilities, they accumulate as invested capital to a point where income on the investment can no longer be earned.

If, on the other hand, these surpluses are put into circulation in the form of dividends, individual shareholders will receive what is their just due and the Government revenues will be enlarged accordingly. All business income—corporate, partnership, or individual—will be placed upon the same basis. It has been suggested that with the prospect of such increased taxation large investors will seek tax-exempt bonds for their holdings, but if they sell present holdings, they must pay the capital gains tax, and thereafter dividends from such holdings will be taxable in the hands of those who invest. Moreover, it must be remembered that the field of tax-exempt securities is pretty well occupied and the yield is uncommonly small. Instead of reducing capital investments, the procedure under this bill will actually increase them. Large shareholders, or their successors in interest, now conserving their corporate income in corporate treasuries, and so evading or reducing individual taxes, as the recipients of dividends will be under the necessity of reinvesting their receipts and putting this money to work in new productive enterprises.

It has been argued that this tax bill will destroy the small corporation. This is absolute nonsense. The huge surpluses which large corporations now pile up enable them to destroy small competitors and to force them out of business. Small corporations will still expand at an even pace and on more favorable terms through the payment of less taxes. Finally, whatever the decisions of corporate managements—and the bill does not attempt to dictate what those shall be—in respect to declaration of dividends, the Federal Government will no longer be unreasonably and inequitably deprived of necessary revenues. The proposed plan will attain the essential objects of an excess-profits tax without the administrative difficulties and with more revenue to the Government. Estimates show the pending bill will accomplish the required financial objective.

Although, as I have shown, additional revenues are absolutely necessary now, it is argued that as an alternative expenditures should be reduced. For the future, with the restoration of business activities, with increasing prosperity now evident throughout the Nation, gradual reduction of Federal relief expenditures is possible and, in fact, is now taking place.

Increased expenditures for the regularly established civil departments of the Government have been made necessary largely by the long-continued neglect of these departments under recent preceding administrations. For example, the Navy and War Departments: The proposed budget for national defense for the fiscal year 1937 shows an increase of over \$400,000,000 over that for 1935, and that showed an increase over earlier budgets. Both arms of the Nation's defense were so neglected by Republican administrations that it has become necessary now to make these vast appropriations to put our country in a state of anything like adequate defense. Is it these expenditures that it is proposed to reduce in order to avoid the necessity of further taxation? Is it the expenditures on behalf of agriculture, which are essential to offset, in some degree, the high costs that farmers bear as a result of the subsidies paid industrial tariff barons? Is it proposed to abolish the Civilian Conservation Corps, so definitely approved by the country? Just what do they propose to cut off? How much, and where?

What revenues the Government will ultimately require must, of course, depend upon what the people demand in the way of service. It may be with the increasing encroachment of States on Federal fields of taxation, and vice versa, that it will be necessary to rewrite the entire tax system, both Federal and State. As long, however, as the income tax remains one of the principal sources of revenue of the Federal Government it is our duty to see that that income tax be distributed as equitably as possible, and that no one be permitted to escape payment of his just proportion by resorting to a corporate fiction or any other device which prevents earnings and profits freely flowing into general circulation for the increase and promotion of the general prosperity.

#### ADDRESS OF HON. ALLEN T. TREADWAY, OF MASSACHUSETTS

It is gratifying to speak at the town meeting of the air, as for nearly 40 years I have been moderator at the regular old-fashioned town meeting in my home town of Stockbridge, Mass.

Taxes are the keystone of the arch of government, for without revenue, governments cannot exist. Taxes are as old as government itself. One of our first manifestations as a Nation was the Boston Tea Party, where our ancestors protested against taxation without representation. Taxes are a necessary evil, and no one escapes their burden; hence the expression, "As certain as death and taxes."

We have three forms of taxation, namely, Federal, State, and municipal. I shall deal only with the first of these. There are direct and indirect taxes. Direct taxation is levied specifically by government through legislative enactment. Indirect taxation is the increased prices the people pay for articles on which the producers have paid a direct tax.

I came here directly from the halls of Congress, where today and for several succeeding days a new tax measure will be discussed. Therefore, the subject under discussion tonight, Let's Face the Tax Problem, is certainly up to the minute.

It goes without saying that every cent which the Federal Government spends must at some time and in some way be collected from the people in the form of taxes. Hence, every citizen has a vital interest not only in the total amount of Federal expenditures but in whether these expenditures are being made wisely, economically, and prudently, or whether the money is spent unnecessarily, wastefully, and extravagantly.

In spite of the numerous and burdensome taxes now imposed by the Federal Government, its revenues are only sufficient to meet half its expenditures. In other words, it is spending two dollars for every dollar it collects. This dangerous and unsound practice of running the Government on borrowed money will have resulted in increasing the public debt to the unprecedented total of over thirty-four thousand millions of dollars by the close of this fiscal year, June 30, and the end is not yet in sight. This debt represents a tax burden which present and future generations will have to pay in addition to the amount necessary to cover the running expenses of the Government.

It is generally conceded that the present policy of borrowing to meet continued deficits must be changed if the Federal credit is to be preserved. Three years ago President Roosevelt said that

this policy was leading the country into bankruptcy. At this time we are 3 years closer to that condition and are traveling at a faster pace.

There are three ways by which the Nation's credit can be saved:

First. By the imposition of sufficient new taxes to balance the Budget.

Second. By the reduction of expenditures to meet existing revenues.

Third. By a combination of increased taxes and reduced expenditures.

Which course shall we follow?

Before attempting to answer this question, let us analyze the present financial situation. We find that expenditures have increased from five and a third billions in 1933 to about eight billions in the present fiscal year. They will be even greater next year. I call particular attention to the fact that this increase is not wholly due to emergency outlays, but is in part caused by larger appropriations for permanent governmental functions.

While this deficit has been piling up Federal taxes have been increased several times, but collections have lagged far behind the increase in expenditures. Estimated receipts for the current year are three billion nine hundred million, as compared with one billion six hundred million in 1933. Our Budget-balancing efforts have been very much like a dog chasing its own tail.

Not only is it a hopeless task to try to balance the Budget until expenditures have been curtailed, but I am certain that business and the people cannot stand the burden of taxation necessary to meet present expenditures. We would have to raise about four thousand millions of new money, and it would have to come out of the pockets of the great masses of our people—those with small and moderate means. The rich were "soaked" to the point of confiscation by last year's tax bill, and even after that was done it was found that only two hundred and fifty million could be squeezed out of them in addition to what they were already paying. Not only would the present personal exemptions have to be reduced to a minimum—say \$500 and \$750 for single and married people, respectively—but the rates would have to be made extremely high for the small taxpayers. Even this would be insufficient. A substantial sales tax would have to be imposed, taxing not only luxuries but actual necessities of life as well. In addition numerous other burdensome tax measures would have to be resorted to. This is not a very pleasant picture to contemplate, but it is true.

The reason the Budget has not been balanced by this method is that it is "politically inexpedient" to do so. The administration has found it popular to play the role of Santa Claus, and it knows what would happen if it tried to collect the whole bill.

The country never would have stood for the profligacy of the present administration as long as it has if the people were more tax conscious. At the present time only 2,700,000 persons out of the entire population pay Federal income taxes. While the rest contribute their full share of the indirect taxes, these are levied in such a way as not to bring them forcibly to the attention of the taxpayers.

If Government expenditures were reduced to a reasonable minimum, a large part of the present and future tax burden could be avoided. It is even possible that with improved business conditions the present taxes would carry the load, and it is certain that nothing would contribute as much to business improvement and to the restoration of confidence as a radical reduction in expenditures and the elimination of extravagance and waste. It is not giving the taxpayers a square deal to keep on piling up more and more taxes simply to be squandered by the administration's spendthrifts.

I am opposed to the levying of new taxes until it can be determined to what extent expenditures can be curtailed without impairing any of the ordinary functions of Government, and without denying relief to the needy. This is one of the reasons why I am opposed to the bill now pending in Congress, which seeks to raise several hundred millions of additional taxes. Let us first reduce expenditures, and then, if necessary, impose what taxes are needed to put the Government on a sound financial basis.

Let me devote the remainder of my time to a brief reference to the new tax bill. It is difficult to talk on Thursday night about a bill of more than 200 pages which was not in existence until Wednesday morning. It has been prepared in response to the President's message of March 3. Its main feature is a proposal to substitute in place of the existing corporate taxes, a tax based wholly on undistributed earnings, graduated up to 42½ percent. The purpose of the tax is to force a distribution of earnings. In effect, it penalizes amounts set aside for protective reserves, amounts used for rehabilitation and expansion, and amounts set aside for the payment of debts. It punishes business prudence, and encourages improvident management. It will impair the financial structure of business, threaten the security of investments, and result in a restriction of corporate credit. It will benefit the strong company and crush the weak, and will be conducive to monopoly. It will tax one company at a high rate and another at a low rate on the same amount of income. In some instances it will even tax a small income at a higher rate than a larger income. It will create unfair competitive conditions as between different companies. I could mention many other objections.

The business people of the country, both individually and through their organizations, have shown bitter opposition to the measure. Their main objection is that it will prevent the accumulation of "rainy day" reserves, which are so necessary to business

stability and the maintenance of employment and dividend payments.

Experience during the depression has amply demonstrated the importance and value of such reserves, and it is impossible to estimate how much worse conditions might have been had business not been able to build up reserves in times of prosperity to tide over periods of adversity. Reserves are also of great benefit in such unforeseen contingencies as the recent floods in New England and Pennsylvania and the hurricanes in the South.

The Department of Commerce estimates that in the 5-year period commencing with 1930, business paid out over twenty-six and a half billions more than the amount of income received. In a sense, this represents the contribution made by business out of its reserves for recovery and relief purposes.

If the tax policy proposed by the pending bill had been in effect prior to 1929, business never could have accumulated these reserves. As it was, these reserve funds saved thousands of concerns from bankruptcy, provided employment for millions of men, and assured dividends to large numbers of stockholders at a time when they were most needed.

The policy underlying the bill can only serve to undermine the whole business structure. It will accentuate the peaks of boom periods and intensify the adversity of hard times. It is another example of the work of impractical theorists rather than being based on practical business experience, which should be the criterion of sound legislation.

The underlying principle in the bill is contrary in every particular to business development. Instead of a breathing spell, as promised us by the President, business is getting more and more out of breath. If ever there was need of a breathing spell, now is the time.

To frame a tax bill based on erroneous theories to pay for extravagances and wastefulness is a violation of the authority vested in us by the people. Let me therefore conclude by saying I heartily believe in proper relief to the needy and advocate its management and distribution through State agencies rather than through regimentation and bureaucracy in Washington. I thoroughly believe in ample appropriations to meet all rightful needs of government. I am definitely committed to the program of no new taxation until it has been definitely proven that all waste and extravagance have been eliminated. The method which has been followed in proposing, preparing, and submitting this measure to Congress very definitely illustrates the dictatorial and autocratic powers which this administration has continuously exercised.

#### EXTENSION OF REMARKS

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days after the passage of the tax bill in which to extend their own remarks in the RECORD on the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

#### THE REVENUE BILL OF 1936

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 12395) to provide revenue, equalize taxation, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 12395, with Mr. WARREN in the chair.

The Clerk read the title of the bill.

Mr. TREADWAY. Mr. Chairman, I yield 35 minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, some time ago millions of loyal men and women heard with inexpressible shame a Cabinet member of this Administration characterize the Supreme Court decision in the A. A. A. case as "the greatest legalized steal in history."

Others who regard our form of government with contempt absorbed this un-American poison with relish and avidity. Those with hatred in their hearts for free government, who rebel against orderly government, and long to destroy it and then replace it with mob rule, rejoiced to hear a high official condemn the Supreme Court.

Mr. BIERMANN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BIERMANN. Is it proper for a Member of this House to accuse a member of the Cabinet of holding the Supreme Court of the United States in contempt?

The CHAIRMAN. The Chair does not think that is a proper parliamentary inquiry. The gentleman from New York [Mr. REED] will proceed in order, of course.

Mr. REED of New York. Leadership in government that points the finger of scorn and contempt at the tribunal that has performed its sworn duty under the Constitution will never direct the thoughts of a people along those lines that make for liberty and freedom. Under such leadership this Nation can never attain to that exalted destiny which Washington envisioned for the United States of America.

It is easy to agitate the hopes and fears of the people in the time of distress. It is not difficult to sway society by an appeal to prejudice and passion. To array class against class and then through the arts of demagoguery direct the generated fury of disappointed groups to unworthy ends requires the lowest, not the highest type of political leadership. It is in times of distress and excitement that the spirit of destruction is easily stirred and unleashed. Every nostrum, proposed at such a period of unrest as a cure for economic ailments, is received with credulity by masses of people who in normal times would ignore such proposals.

As a panacea for existing ills, the unscrupulous do not hesitate to suggest legislation known by them to be beyond the power of Congress to legally enact. This is done with the hope of procuring a political following.

When the courts hold such legislation illegal, the authors of these unsound proposals endeavor to fix the blame upon the courts, which leads the thoughtless to condemn the latter instead of the former.

The President, in his message of March 3, 1936, endeavored to justify the experimental tax bill now before the House by attributing the necessity for such legislation to the decision of the Supreme Court, which declared the A. A. A. unconstitutional. Deprived of the revenue, illegally collected from American taxpayers as a result of unconstitutional legislation, recommended by the administration and passed by a servile Congress, the President now seeks to blame the Court for performing its sworn duty.

The other excuse the President offers for demanding at this time the enactment of this drastic, coercive, experimental tax measure is the payment required under the Adjusted Compensation Act. The President makes much of this item, although, as every person conversant with the facts knows, the payment of this just obligation will require only an additional 1½ percent of the annual expenditures. The President ignores the fact that he has spent billions of dollars upon boondoggling projects, the chief effect of which is to create new debts, while the adjusted compensation, which he disapproved, is to pay off an existing debt.

The spectacle of another fantastic, experimental proposal such as the one with which we are confronted today is an experience to which the Congress is becoming gradually hardened.

An existing system of producing revenue is to be scrapped for an experimental method considered and rejected by both the Treasury and the Congress at various times during the past 16 years. An administrative process to which the country has become gradually adjusted through literally thousands of Treasury decisions is to be replaced by a proposal so vague, indefinite, and inchoate in its definitions that I venture the assertion that not 5 percent of the House nor half the majority of the committee could agree among themselves as to the administrative application of its major provisions. Imagine the manager of any one of the small corporations with a net income below \$10,000 being told, in response to the question, "What is the tax on our undistributed net income?"—that it is—

A percentage of the adjusted net income which is more than 10 and less than 20, the tax shall be a percentage of the adjusted net income equal to the sum of 4, plus one-half of the amount by which the percentage which the undistributed net income is of the adjusted net income exceeds 10.

The unfortunate inquirer will discover that this measure is written with the lucidity that characterizes the Executive

explanation of why Mr. Farley is at once the Postmaster General and the chairman of the Democratic National Committee. A revolution in corporate taxation is precipitated on this House overnight. Its amendment to existing law is scattered through 250 pages of the pending bill. The ambiguous explanation of its theory and effect are made available to this membership 24 hours before it is to be jammed through this uninformed body, after 16 hours of debate. Remember, the public hearings upon this measure were never addressed to a bill. Never before in our legislative history has the country or the committee been invited to discuss Presidential messages or the abstractions of a subcommittee as the basis for an unprecedented change in our methods of business taxation. The only public support given to the vague proposals pending before our committee was offered by the representative of the Communist Party, who, having identified the outlines of his creed under the rhetorical drapery of the Presidential message, did not hesitate to give a Communist blessing to the amorphous proposals of the subcommittee. This inchoate conception is now to be baptized in the ritual of the Executive message of March 3 as—such a revision of our corporate taxes as would effect great simplification in tax procedure, in corporate accounting, and in the understanding of the whole subject by the citizens of the Nation.

It shall be my endeavor to paraphrase the Executive suggestion and clarify "the understanding of the whole subject" before us "by the citizens of the Nation."

It is my strong conviction that, as the pending measure is analyzed, it will become clear:

First. That its alleged beneficiaries are its victims. For, as the majority has carefully refrained from stating in its report, it is a method of taxation which no nation, except possibly Norway, has even attempted in the form here suggested and which, in principle, has been consistently rejected since first called to congressional attention. It will operate to penalize forethought and corporate savings. It will penalize the accumulation of reserves without which the vast majority of American business and private individuals could not have survived the depression. It arbitrarily discriminates against the small stockholder whose savings are invested in corporations with larger earnings and favors the larger stockholder in the corporation of smaller earnings. It will discourage the organization of new enterprises. It will tend to freeze existing surplus and discourage the expansion of older industry. It will tend to make entrance into any form of business more difficult. More and more it will plainly operate to make more difficult the maintenance of existing employment and defeat its expansion.

Second. The pending proposal will not assure a reliable flow of revenue. On the contrary, it is a final step in the drastic regulation of American business rather than a workable proposal to produce revenue.

Let me first direct your attention to the fact that we are not legislating in a vacuum but in a world of practical realities. Nearly one-third of our national income is consumed by public expenditure—National, State, and local. Approximately one-fourth of our national income is taken by direct taxation. The remainder of the third represents the issuance of public securities or outgo in excess of income. This is merely deferred taxation. The chief business of American banks in recent years has been the financing of our national deficit. American business, between 1930-34, expended \$27,000,000,000 in excess of its income from the savings of former years, while the Government spent less than half that sum on direct relief in 1933-34.

And this was done while business was receiving about half its usual income and that of the Government had increased about 116 percent. We have, moreover, established a Federal social-security system imposing on employers and employees a volume of excise and income taxes without precedent in this country and which will progressively increase without any change in existing law over the next 20 years. Within the next 3 years the Federal unemployment compen-

sation tax will levy upon the pay rolls of the country a 3-percent tax, which it is conservatively estimated will approximate more than 10 percent of the earnings of business.

Our people not only confront the burden of an unprecedented national debt but unparalleled State and local indebtedness. Our Federal Budget is not only unbalanced but no estimate of probable expenditure, from the highest to the lowest Federal fiscal authority, has, even within a 6-month period, been approximately accurate. Worst of all, no rational limitation of expenditure or any reform and improvement in wasteful administration, daily becoming more apparent, is in sight.

Never in the history of the Nation was it more essential that we should approach the subject of taxation with more caution and greater opportunity for thoughtful discussion. Both are denied. We are legislating in haste, with inadequate information and little regard for the effect of what we here do upon those activities which not only provide our revenue but support and animate the life of our people. The majority is sailing over an economic sea as unconscious of the depths below it as a chip upon its surface.

What does this bill propose to do, and how does the majority propose to do it? I put aside the proposed tax on "unjust enrichment", a phrase that will excite legal laughter for years to come, and confine myself to the corporate taxes. At present we levy a capital-stock tax upon corporate issues, a minimum of 12½ percent on the first \$2,000 of corporate net income, 13 percent on such income between \$2,000 and \$15,000, 14 percent on such income between \$15,000 and \$40,000, and on all in excess of the latter amount 15 percent. These and existing personal-income taxes, which it is not proposed to change except in one respect—to which I will refer later—are, according to the reports of the Treasury, yielding a steadily enlarging revenue and will continue to do so unless business declines under the proposed increase of its burdens and the multiplication of its uncertainties.

The majority propose to abolish progressively, within slightly more than a year, these existing taxes and substitute therefor a tax upon the undistributed earnings of such corporations; that is, instead of levying the tax upon all net income received by a corporation, which is our usual method, and permitting the management of the corporation to determine what proportion of such income shall be distributed through dividends to the shareholders or retained for reserves or business expenditures, it is proposed to divide all corporations into three groups according to the amount of their net income and tax them upon a graduated scale with respect to the amount of such net income which is not distributed in dividends.

The three classes will be constituted of: (1) Those corporations whose net income is \$10,000 or less, (2) those which have incomes between \$10,000 and \$40,000, (3) those which have more than \$40,000 of net income. The first class will pay a tax of from ten-hundredths of 1 percent to 29½ percent, according as they retain from 1 percent to 70 percent of the net income. The second class will pay intermediate rates, and the third class a rate reaching 42½ percent on the top ratio of nondistribution. Banks, trust and insurance companies will pay a flat rate of 15 percent on net income as they do now, and so will corporations in receivership. The majority think it a wise provision to leave the enumerated corporations out of their plan, "since the surplus of banks must be built up for the protection of depositors", and, of course, they must apply the same reasoning to the returns from the investments of insurance companies. It never seems to occur to them that the protection of the shareholder, the integrity of the corporation, and the capacity to employ reserves for the purpose of maintaining employment, the only way in which it has been retained by a majority of corporations throughout the depression, are of equal importance. This view becomes clearer as we note the treatment proposed by the majority in this bill for deficits and contracts not to pay dividends and debts.

It is, of course, obvious to the membership of the House that the devastating depression sweeping the world fell with unusual force upon our own country and impaired the

strength of even our strongest enterprises. To rebuild an impaired capital structure is, of course, the first concern of good management. Savings today are of two kinds—corporate and individual. The individual saves against his rainy day and leaves his funds in a bank, an insurance policy, or some other form of investment. Such savings find their way back into business. Corporate savings are employed to maintain and expand existing business and, according to the nature of the corporate business, to meet its requirements by such reserves as are peculiar to the character of its operation. All business goes forward, all national development goes forward, under the impulse of surplus. Only what any people have over and above that which is necessary to sustain their individual and social life is available for its expansion. The nation without a surplus is the nation without a future. That is equally true of the individual and the enterprise. At no time in American economic history has the necessity been so great for the repair of impaired capital and the rebuilding of business structures, little and great.

What does the majority propose to do in this bill with respect to deficits and impaired capital structures? It proposes to say to the corporation that needs to rebuild its capital structure, meet its deficits, rebuild its expended capital, provide for expansion, and accept new risks that mean new employment—

If you want to retain, as you should, the greater part of your earnings, this year or next, for that purpose, you will pay as follows for the privilege:

By section 14 of the bill, the corporation with a deficit will pay 22½ percent on the amount of earnings retained to make up this deficit. That will be 7½ percent more than the present highest corporate rate. In addition, if you want to retain any earnings in excess of the deficit, which merely makes you solvent, the penalty for creating a sound reserve will be the graduated rate applicable to the additional earnings which you do not distribute.

By section 15 the majority says to thousands of corporations which have borrowed publicly or privately, to maintain operations and employment and have made a contract not to pay dividends until they have met this debt obligation:

We will treat you generously. We simply ask you to pay 22½ percent of the undistributed income which you set aside to meet that obligation, without making which you probably could not have survived. But, mind you, you cannot have that privilege unless your contract was made before the President made public the revelation which we propose to make effective. If you have struggled under a great debt burden and refinanced it, after this apocalyptic delivery, you are the victim of legislative misfortune. You should have read Tugwell and divined what was to occur. Failing to do so, you must pay the graduated penalty.

Never before has the lawmaking body of a great nation, working its way out of a devastating depression and burdened with debt, threatened its citizens with an Oregon boot of taxation as the price of reviving their capacity for employment.

I take it that no Member of this House denies that a tax on a corporation is a tax on the stockholder. It is he who, under the strange paradox of this bill, is at once the subject of the committee's solicitude and chastisement. Every tax levied upon a corporation is assessed against the beneficial interest of the shareholder. By this measure he may be taxed three times—the normal tax; by surtax, which, you must remember, begins to attach itself to an income in excess of \$4,000; and, thirdly, he will carry the tax levied against the undistributed income. That, in accordance with its effect upon the corporation, whose condition is as variable as that of the individual, may result in the decline of the share value of the stock in accordance with the capacity of the corporation to sustain itself, or the effect it may have upon contracting or denying expansion to its operations. Perhaps even more seriously, it stops new enterprise. This bill is in reality an industrial birth-control measure.

Until a few short years ago no one dissented from the view that it was the business of Government to promote, protect, and encourage every form of business. Now let the gentlemen of the majority examine without a blush their proposed handiwork. Let them rechristen this child of their leader's speculation "A bill to penalize saving, to discourage

enterprise, to prevent the restoration of impaired capital, to obstruct expansion, and to lessen opportunity for employment."

Who is the beneficiary of this plan? Is it the small shareholder? The majority apparently imagines, from the statements made throughout its report, that the chief function of the citizen is to pay taxes. Incidentally he may seek a livelihood, build an enterprise, and employ others. But at the risk of preventing him from building up essential savings, which alone insure the security of his enterprise, the privilege of saving must be made the subject of an excise. Since the days of the Psalmist saving has been a stimulated virtue. It has remained for the majority, under the whip of their distinguished leader, to penalize it as a vice. They have, moreover, lost all sense of distinction between the position of the small stockholder in the enterprise of large earnings and the large stockholder in the enterprise of small earnings. In the diffusion of ownership, which is the marked characteristic of modern American business, the small stockholder has more frequently invested his savings in the enterprise with higher earnings, because it appealed to him as having better management and assuring the likelihood of a larger return. I notice, for example, that our largest corporation, the American Telephone & Telegraph Co., started with 7,500 stockholders and now has 750,000. I hold no brief for it, but I cannot overlook the fact that the average stockholding is about 28 shares and nobody owns more than 1 percent of the stock. If that corporation, for example, is carried, as it undoubtedly will be, into that class of corporations whose earnings are in excess of \$40,000 per year, it may, in the rebuilding of its capital, feel it necessary to reserve a considerable portion of its earnings. If it does, the high rate which it pays for that privilege will be assessed against the beneficial interest of the holders of an average of 28 shares of stock, while in what are described as "closely held corporations", with a low rate of earnings, the privilege of non-distribution will be correspondingly less.

I am concerned about the serious effect of this proposal upon the small shareholder and upon the employing capacity of business enterprise threatened with the enervating effects of this punitive measure. If I turn to the declaration of purpose made by the majority, I find it stated:

The major purposes of the change in the method of taxing corporate incomes are (1) to prevent avoidance of surtax by individuals through the accumulation of income by corporations; (2) to remove serious inequities and inequalities between corporate, partnership, and individual forms of business organizations; and (3) to remove the inequity as between large and small shareholders resulting from the present flat corporate rates.

It is related that a French scientist, insisting upon a theory, was confronted with destructive facts. Undeterred by the evidence, he retorted, "So much the worse for the facts." That alone, it seems to me, can be the position of the majority in the face of the information which has been developed in response to the declaration I have quoted.

Before our committee hearings it was iterated and reiterated that dividend distribution, broadly speaking, was niggardly. The opinion was sedulously created that in comparison with earnings there was a vast current fund annually withheld which ought, in the interest of the stockholder and the Government, be forced into distribution where it could be taxed in the possession particularly of those subject to the higher surtaxes. The facts completely refute the assertion. The undisputed evidence before our committee discloses that over a 14-year period, between 1921 and 1934, taking the total dividend distribution of all corporations, the figures being supplied by the Internal Revenue Department, it is shown that the dividends paid were 25 percent in excess of the earnings over the same period. In the field of manufacture the same sources reveal a distribution of over two hundred millions in excess of earnings covering the same period. The significant fact is that during the period of depression, distribution from previous accumulations were made during period of deficit. Dividend payments that otherwise could not have been paid were made during that period as a

steady contribution to purchasing power. The majority is now here recommending the abandonment of the proposal which it made 2 short years ago—to penalize the accumulation of unreasonable surplus. The efficient collectors of the Treasury have been unable to locate the unreasonable accumulations that were said to exist; therefore, a rumor has been dissipated.

Moreover, not only is the theory upon which the majority started this effort destroyed by the facts but they proceed upon a further untenable theory. The only way in which they could insure that a forced distribution of earnings would increase surtax collections would be to possess the gift of prophecy, through hypothetical determination of the income-tax bracket into which the forced distribution would fall. They assume that can be definitely determined in advance. They overlook the fact that National and State governments have provided more than thirty billions of wholly or partially tax-exempt securities in which the large investor, if many such remain, may find refuge. In the public interest, it is the last place to which he ought to be driven. For economic recovery and business development and progress rest upon creating innumerable new temptations which will seduce the investor into placing his funds in active enterprise. There alone they continually multiply employment.

Three years of experience has demonstrated that Government may provide relief and enlarge its cost by wasteful administration. But unless we accept the tenets of a socialistic state, it cannot take up the employment slack. That must be done by thousands of vigorous minds continually attempting and actively engaged in the efficient development of our own resources and the creation of new services in response to the demands of the people, who look determinedly forward in the improvement of their own condition as uncertainties are removed and commitments to the future constantly multiplied. I challenge the majority to produce any substantial evidence before this House that we have found evidence of either serious avoidance of surtax by individuals or of undue accumulation of income by corporations.

The majority further declares that it wants to remove the serious inequities and inequalities between corporate, partnership, and individual forms of business organization. In the first place, to the extent that that inequity may be shown to exist, it does not require an increase in the tax rate on the corporate shareholder. The remedy could be provided, as was suggested long ago by Dr. Adams, noted expert, by providing an exemption for the individual and the partnership which invested undistributed income in taxables. Again, there is nothing which prevents the individual or the partnership from incorporating if it is to the advantage of the business to do so.

Finally, I desire to produce a witness whose qualification as an expert the majority cannot question, who will testify that the overwhelming majority of individual and partnership business pays less taxes, operating as it does, than it would if incorporated. My witness is the Honorable Robert H. Jackson, now Assistant Attorney General of the United States in charge of the Tax Division of the Department of Justice and formerly General Counsel of the Bureau of Internal Revenue in the Treasury Department. He addressed the Young Democratic Club of New York City, March 18 last, in support of the President's tax plan. In the course of that address he declared:

A business of small profit costs less tax if done by the individual without incorporation. If the net profit of a business is under about \$18,000, it now costs more in taxes to be incorporated than to operate as an individual. A partnership is cheaper in taxes than a corporation, if the share of profits of each partner is less than \$18,000 a year.

The income statistics of the Bureau of Internal Revenue disclose that the overwhelming number of those engaged in business in the individual or partnership form show a profit below the maximum stated by Mr. Jackson. From the evidence supplied by this qualified witness, it must be clear that individuals and partners in great number prefer that form for the obvious advantages which Mr. Jackson describes. In view of this testimony the preponderant body

of business done in these forms must be praying to be saved from its friends in the majority.

Finally, I think I have clearly pointed out that this bill will not remove any alleged inequity between large and small shareholders resulting from the present flat corporate rates. The trouble with the majority is that it fails to distinguish between the small shareholder in the corporations of large earnings and either the small or large shareholder in the corporation of comparatively smaller earnings. It continually reasons on the gratuitous and insupportable hypothesis that its plan will catch a few large payers of surtax. It overlooks the fact that in the endeavor to do so it is levying its highest rates on the man who has saved and invested in the shares of a corporation of higher earning power that pursues the wise policy of not distributing too great a proportion of its earnings. He is its appointed victim.

The revenue-producing capacity of this proposal is hypothetical and conjectural. It assumes a condition predicated upon so many variables of human nature that it offends against the most fundamental tenet of sound taxation—the assurance of reliable revenue. The reason for that must be partly found in the second fundamental objection I have raised to this measure. It is a regulatory rather than a revenue measure. It is the final step in subjecting the business structure of the United States and the livelihood of its citizens to drastic Federal regulation in all their major operations. This becomes evident as we examine the successive steps of which this is the ultimate.

The first act of corporate life is the issuance of a security. We have now our Security and Exchange Acts regulating in minute detail under continuing administrative control the issuance of securities and the conditions under which they may be marketed and dealt. Through proposals to enlarge the powers and investigative authority of the Federal Trade Commission all competition and the conduct, policies, and practices of corporations are subjected to intimate supervision. By the National Labor Relations Act there has been established control of all local employment relations in production, while further direction over prices and operation has been steadily suggested. We now reach the ultimate step—Federal control of the distribution of the proceeds of business operation. This measure substitutes for the judgment of responsible management, responsive to and representing the shareholders, the inflexible judgment of Congress with respect to the distribution of business earnings. Confronted with every variety of business operation; with large and small earnings, with activities of little risk and of great risk, with the production of consumer and durable goods, with business requiring little capital and much, with impaired and unimpaired fiscal structure, with every conceivable difference in debt and investment requirements, with young and old enterprises, you propose to determine in advance, irrespective of circumstances, the amount of savings for every form of business in the United States. You blindly do this by fixing in advance not the amount but the penalty which shall be exacted for savings out of income. You would not dare to do this with regard to the farmer or the wage earner. Yet you boldly venture to do it for corporate or collective business by substituting your judgment for that of those who must meet all the individual risks of their enterprise in the light of circumstances which they alone know and against which they project their experience. This is legislative medievalism. It is faith in an all-wise, all-seeing, and omnipotent lawmaker whose collective political wisdom is superior to the individual business judgment and experience of his subjects. It calls for executive divinity.

The genesis of the idea is not far to seek. The idea itself may have been hastily presented to this House. Its expression may have been superficially conceived and executed. Your consideration may be hurried by the voice of your master. But the source of the idea cannot be concealed. If you will look to that flowing fountain of ideas so steadily supplying your party policy—Dr. Tugwell—you will find that in 1933 in his textbook of the administration entitled "Industrial Discipline", he writes, at page 206, of the importance

of a tax on undistributed earnings: "Over and above replacement, which are kept for expansion purposes—to force—these funds into distribution as dividends."

This, of course, is in addition to control of capital issues which he has already urged and which we already have. He, of course, goes a step further, and in that direction, I presume, the majority will receive its instructions to march, if not now, probably at Philadelphia; for Mr. Tugwell declares that it is essential to carrying these controls beyond merely the seizure of undistributed earnings by "capital allocation", which, he says, "would depend on knowledge from some planning agency of how much for an unearned future period ought to be put to one use rather than to other." Then he continues:

There is not only the problem of knowing what the industry's output will be or ought to be, but also of knowing how much of the business will go to each firm involved. \* \* \* The functions of another sort of administration. \* \* \* Some principle of apportionment would have to be adopted (p. 205).

Thus we perceive the tax on undistributed earnings clearly presented as a plan of industrial control contemporaneous with the inauguration of the present administration and to be carried forward into capital allocation itself. A logical step from which the majority may now shrink, but like other things which they formerly regarded with a shudder, they may soon habitually suffer themselves to embrace.

What is presented for your approval today is a hasty, superficial, undigested substitute for the present corporate method of taxation which, with all its defects, is nevertheless something to which the business of the country has become adjusted and which is providing steadily increasing revenue. In exchange for this you are asked to accept a continuously rejected suggestion which in effect will do that which you yourselves could not approve a year ago—operate as a graduated tax on corporation profit. The burden of it will fall not only on the business entity but with arbitrary and discriminative weight upon every small holder of stock. You are to do this in pursuit of an unidentified surtax avoider and you are asked, like a drunkard entering into a room and with but one thought to reach his bed, to give no attention to the furniture you may wreck in the effort. Every business witness before our committee has raised a warning voice. Every authoritative economist in the country has added his caution. You are creating obviously a host of new administrative difficulties. A whole pathway of enforcement will be lined with new question marks. You ask the business of the Nation, shaken by 5 years of continuous drains, to pay penalty premiums in order to do that which you ought to be begging them to do—to deny themselves the privilege of beneficial distribution in order to rebuild shattered reserves and maintain and expand employment. Unless one man can employ another at profit he cannot longer afford to employ him at all. That is equally true of men engaging in an enterprise together and forming what is termed a corporation, be it large or small.

If you were determined to discourage investment, to counsel against the maintenance of employment, to prohibit its expansion, to multiply uncertainty, and to make more difficult every form of future commitment to promote business development, it is difficult to conceive a more certain method of going about it. To the few whose business enterprises have accumulated ample surplus in their maturity, this plan may be a boon. To the vast majority of corporations struggling with their daily problem, it will represent in varying degrees new burdens and anxiety creating discouragements. To new enterprise it is a deliberate obstruction to the establishment of essential reserves. To new enterprise in contemplation, it is a warning of excessive cost not likely to be disregarded. Taken as a whole it is final evidence, if more were needed, of the practical incapacity of those presently charged with the administration of Government. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. TREADWAY. Mr. Chairman, I yield the gentleman from New York 3 additional minutes.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield.

Mr. KNUTSON. Right in that connection I should like to call the gentleman's attention to the testimony of Mr. Sargent, on page 216 of the hearings, where he said:

Sweden had a tax on undistributed profits in 1924, which was subsequently abandoned. In 1933 a "compensation tax" was enacted which applies a flat-rate tax of 25 percent in certain cases on undistributed earnings of Swedish companies engaged solely in the real estate and marketable securities business.

Mr. Sargent also testified to the fact that Holland has a law just the opposite to what we are proposing here. If the gentleman will indulge me, the Members of the Committee may be interested in the fact that Holland has exactly the reverse of the undistributable earnings tax, namely, a tax levied on profits distributed by companies to those entitled to a share of them, with no tax at all levied on undistributed profits. This may be an example of the Dutch idea of inculcating thrift in industrial companies as well as in the home.

[Here the gavel fell.]

Mr. REED of New York. Mr. Chairman, I understand Members speaking have the right to revise and extend their remarks.

The CHAIRMAN. That privilege has already been given.

Mr. BIERMANN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. BIERMANN. As I recall it, the rule under which this bill is being considered provides that general debate must be confined to the bill.

I call the attention of the Chair to the fact that the first several pages of the statement read by the gentleman from New York were confined not to the bill but constituted a partisan attack on some of the high officials of this Government. One of them was the distinguished gentleman from Iowa, Secretary Wallace, who was represented as a reprehensible citizen for speaking against the morality, not the legality, of the Supreme Court's decision which resulted in the return of large taxes to processors.

Mr. KNUTSON. Mr. Chairman, I make the point of order the gentleman is not stating a point of order.

Mr. BIERMANN. In Iowa for generations we have had the highest regard for the Wallace family as citizens and as patriotic people. I want the RECORD to show at this point that the gentleman from New York in his remarks was not only violating the rule and proceeding out of order but he was doing unwarranted violence to the plain facts.

The CHAIRMAN. Does the gentleman from Iowa insist upon his point of order?

Mr. BIERMANN. Mr. Chairman, I withdraw the point of order.

Mr. MICHENER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. MICHENER. If the gentleman withdraws his point of order, he concedes it has no merit. I therefore ask that his remarks be expunged from the RECORD.

Mr. BIERMANN. Mr. Chairman—

The CHAIRMAN. For what purpose does the gentleman from Iowa rise?

Mr. BIERMANN. I made a point of order that involved the reference I just repeated that the gentleman from New York was not proceeding in order in the first several pages of his written statement.

Mr. Chairman, I renew my point of order.

Mr. VINSON of Kentucky. Mr. Chairman, if the gentleman will yield, I believe the gentleman from New York was doing the best he could under the circumstances.

Mr. KNUTSON. He was just following the salutary example set for us yesterday.

The CHAIRMAN. The Chair is ready to rule.

The gentleman from Iowa makes the point of order that the gentleman from New York [Mr. REED], who has just spoken, was out of order in that he referred to a member of the Cabinet in the discussion of this bill and in his speech. Members of the Cabinet and, indeed, even the President of

the United States, are not sacrosanct from discussion on the floor of the House provided the Member speaking observes the rules of the House in not dealing in personalities and conducts himself while speaking with proper decorum.

The Chair, therefore, overrules the point of order.

Mr. TREADWAY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TREADWAY. May I inquire, Mr. Chairman, in view of the ruling of the Chair, whether the remarks of the gentleman from Iowa will appear in the RECORD?

The CHAIRMAN. The gentleman's remarks were made as a statement of a point of order, and, of course, the remarks will appear.

Mr. TREADWAY. May I suggest to the Chair that the gentleman apparently withdrew his point of order.

The CHAIRMAN. The gentleman from Iowa would have the right to withdraw his point of order, but that would not withdraw the remarks he made.

Mr. TREADWAY. Mr. Chairman, I yield 20 minutes to the gentleman from Ohio [Mr. LAMNECK].

The CHAIRMAN. The gentleman from Ohio [Mr. LAMNECK] is recognized for 20 minutes.

Mr. RICH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. Does the gentleman from Ohio yield to the gentleman from Pennsylvania for a parliamentary inquiry?

Mr. LAMNECK. I yield, Mr. Chairman.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. RICH. Mr. Chairman, the question that came into my mind when the gentleman from Iowa objected to criticism of a Cabinet officer was whether a Member on the Democratic side could criticize members of the Ways and Means Committee in the drafting of this bill; if a Member on the Democratic side of the House has the right to criticize Members on the Republican side who make remarks in regard to this bill; and if Republicans are not permitted to say something about Democrats whether they are Members of the House or members of the Cabinet when they are doing things absolutely contrary to good common sense and American principles?

The CHAIRMAN. The Chair does not think the gentleman from Pennsylvania has stated a parliamentary inquiry.

Mr. LAMNECK. Mr. Chairman, the remarks I shall make today will not be made from a political angle whatsoever; I am going to express my firm convictions in regard to this bill.

First, Mr. Chairman, I register a protest against the chairman of the committee, who has refused to grant a member of the committee in opposition to the bill time on the floor.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. LAMNECK. Mr. Chairman, I decline to yield at this time.

Mr. DOUGHTON. I dispute the gentleman's charge.

Mr. LAMNECK. Mr. Chairman, I do not think it is proper procedure. I think it is just as important, I would say more important, to hear a member of the committee, whether he belongs to the Democratic side or the Republican side, who is in opposition to a bill.

Mr. Chairman, how can we determine the merits of a bill unless we hear both sides of the question? Now, when a Republican opposes this bill the claim is immediately made that he is opposing the bill for partisan reasons. As a Democratic member of the Ways and Means Committee, I am telling you my opposition is based upon a firm conviction that the bill is no good. [Applause.]

Mr. Chairman, I wrote my chairman a letter, and in order not to mislead him I said, "Mr. DOUGHTON, I want 30 minutes to present my views", and I said further, "I am going to present views in opposition to this bill." I did not want any mistaken idea about what I was going to say. I received no reply to that letter, but I did have a personal conversation with the gentleman, and he advised me if I

wanted to be heard I should go to the opposition for time—meaning the Republican side.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. LAMNECK. I refuse to yield.

Mr. Chairman, I want to thank Mr. TREADWAY for being considerate enough to give me time to present my views.

I represent in this Congress the greatest district in America, consisting of 400,000 people, and they expect me to present my views here whenever the opportunity presents itself. I know when a man is not a member of the committee many times he has no opportunity to be heard, but, Mr. Chairman, seriously I claim that any member of a committee—and I do not care who he is—who wants time to present his views either in favor of or in opposition to a bill ought to be permitted to do so. [Applause.]

Mr. Chairman, this tax bill, in my judgment, is a Chinese puzzle. I should like to see the man in this House who can determine now what this bill really will do or what the final effect will be. I do not think the man is living who can do it, and I will bet there are not 25 Members of the House who know anything about this bill. If you do not know about it, how are you going to vote on it intelligently? [Applause.] If we debated this bill for 6 months, there would still be a lot to find out about it. The committee was in session considering this bill 8 or 9 weeks. I attended many sessions of the committee. Why, they did not know from one day to the next what the real import of the bill was. The tax experts did not know. They would go into a huddle and say, "What does this mean? What effect is that going to have?" Day after day they would debate one point of the bill in order to determine what its real effect was.

There are 248 pages in this bill to bring out two points. The first point, to assess a corporate tax against earnings, and the other to collect from processors the windfall tax. It took 248 pages to devise a law which would accomplish that result. Then they talk about not debating the bill, and denying men in opposition the right to be heard. I am not only complaining about myself in this case but I want to complain on behalf of every Member of Congress who wants to be heard, especially when he is a member of the committee and is denied that right.

Mr. Chairman, we hear a lot about Jefferson these days. Jefferson once said that when the people are well informed and things get so far wrong as to attract their notice they may be relied upon to set them right. I want to say if this Congress understands the proposition and if the Members would sometimes forget their party affiliation and their prejudices, they would make decisions differently than they have been made in the past.

We are today engaged in serious business. I dare say that if the new tax bill becomes a law it will shock the very foundation of the business structure of this country.

On March 30, in addressing the House, I was not certain as to what the real objectives of the bill were and asked the question, Whom are we trying to reach? I have the answer to that now, and for your information will say, on my own responsibility, that the principal aim of this bill is to compel the distribution of earnings of the closely held corporation, the most striking example of which is the Ford Motor Co. There is no escape, because if the earnings are retained in this company in their entirety a tax of 42½ percent will be assessed. If they are distributed to the small group owning this company, they will be compelled to pay the individual income tax amounting to 75 percent.

If Henry Ford should pass to the Great Beyond to receive his reward, his estate would be assessed a tax of 70 percent under existing law.

If he gave his property away before he passed on, he would be assessed a tax of 52½ percent under existing law. Why not wait until the grim reaper settles the Ford question and other business institutions similarly situated and permit them to go forward furnishing employment for men and women and providing an income for the families of these individuals, because at best Mr. Ford cannot stay with us very much

longer and the results that will be accomplished under this bill will be accomplished anyway under existing law?

Who is there among us that would say that Henry Ford has not rendered a great public service for the people of this country and the world?

Today, ladies and gentlemen, he is employing 180,000 men and women directly and about a million people depend upon him for their daily bread, and yet we are advocating a tax plan that tends to destroy such a business institution.

I have no brief for Henry Ford whatsoever, but I am simply pointing out the effect of the tax bill we are proposing.

I have no quarrel with the thought that taxes should be assessed for the expenses of government based upon the ability to pay, but I seriously object to any program that tends to destroy not only the group at which this bill is aimed but also to the thousands and hundreds of thousands of small business institutions of this country, most of whom are now in distress.

Chief Justice Marshall, in rendering the majority opinion in the case of McCulloch against The State of Maryland, February term of Court in 1819, said—

That the power to tax involves the power to destroy; that the power to destroy may defeat and render useless the power to create; \* \* \* are propositions not to be denied.

The Congress of the United States has refrained up to this time from passing any tax legislation that would tend to destroy, but I charge that this bill will destroy absolutely thousands of business concerns of this country, and in the remarks to follow I expect to illustrate strikingly this effect.

There is another principle involved in this tax bill to which I want to call your attention, and that is that we attempt by taxing methods to compel business institutions to follow our bidding.

No such power is vested in the Constitution of the United States. We have a right to tax for the purpose of paying the expenses of the Government as provided for under the Constitution but we have no right to use the taxing power to direct the activities of legitimate business. [Applause.]

There is another result probably not intended by the sponsors of this legislation, and that is in many cases this tax measure will result in a capital levy. I expect to illustrate later on in my remarks how this will happen.

Business institutions throughout the country are greatly concerned as to the final effects of this legislation, and I believe their fears are well founded.

I just came back from my district, and I talked to hundreds of men in the last 2 or 3 days who are scared to death because a tax bill is being proposed here.

Some of the proponents of this bill are probably proceeding on the theory that all business is in a prosperous condition and that when this law goes into effect they will distribute no more earnings than they are now distributing. You will hear the argument used, I am sure, that the corporations will not be required to pay any more taxes under this bill than they do under existing law.

Who have been the advocates of this legislation? The only persons I have heard advocating it are the experts from the Treasury Department, none of whom, I dare say, have ever had any business experience.

I am wondering how many Members of the House of Representatives have ever owned a business, have ever operated a business, have ever been responsible for a pay roll on Saturday, and who have worried from Monday until Saturday to see from where the next pay roll is coming. Unless you have, ladies and gentlemen, you do not know what business is.

Business is a tough game, for it has many hazards, and at the best requires self-denial, close application, long hours, and every other trait that goes with thrift and initiative.

How would you like to be tried by a prejudiced jury that could not see your side of the case at all, and, if they did listen to the testimony, absolutely ignore the effect upon you? This, ladies and gentlemen, is exactly the situation that prevailed during the consideration of this bill.

One commentator said that the hearings before the Ways and Means Committee were a legislative farce and that the bill would be entirely rewritten in the Senate. I believe this will be the case. Why not heed that warning and write our own tax bill and not have our eyes and ears closed to all other proposals except those that were suggested by someone else?

Mr. Chairman, I am told that the man who is really responsible for this bill is a man by the name of David C. Coyle. Whoever heard of him? Whose duty is it to write a tax bill? Whoever heard of Coyle? I never did.

It is our duty to write a tax bill. [Applause.] The Ways and Means Committee should write a tax bill, and, when we go into session to consider a tax bill, I claim that every proposition that will tend to raise revenue and not hurt the taxpayer should be considered by us, and the best tax bill possible should be passed.

The proposed tax bill is unfair in many of its provisions. It plays favorites. It penalizes business institutions that are prevented by law from paying dividends. It penalizes businesses who have contractual obligations. It penalizes certain lines of industry to a greater extent who do not have State laws to prevent their paying dividends and who have no contractual obligations not to pay them. It will seriously interfere with the credit of corporations now in existence. Banks will be compelled to be more strict in extending credit to corporations whose financial standing is not of the best, because of the severe penalties provided under this tax measure.

It will tend toward monopoly. It will prevent weak corporations and those with impaired capital from rebuilding their capital structure which has been terribly depleted during the depression. It will prevent the accumulation of the necessary surplus for the rainy day to pay dividends during the depression, to keep men employed during the depression years; it will prevent business from accumulating earnings for plant improvement and for developments generally. It will tend toward overcapitalization; it advocates a policy exactly opposite to our past history of saving and paying our debts.

This bill will not produce the revenue its sponsors claim. It will have a tendency to make corporations pay dividends in the year following the time they are earned and I actually believe in the year 1936 the revenue will be less than under existing law.

This point has been very strikingly illustrated in the testimony of the distinguished gentleman from Indiana [Mr. PETTENGILL].

Here is a company, and I do not think there is any secret about this, the American Can Co.—you have all heard of it—in 1935 they made a profit of \$17,310,303. They paid out in dividends \$15,256,321, or 88.13 percent of their earnings, and why? They had no bonded debt. They had no borrowed money from the banks. They could pay it all out and it would not hurt them at all. Now, what is going to happen to this company? They will distribute all their earnings, they will not pay any tax, and if the stockholders are in the lower brackets the Government will lose from 6 to 10 percent.

Mr. VINSON of Kentucky. What about the corporation?

Mr. LAMNECK. Here is another company, the Anaconda Copper Mining Co. This company made \$11,180,087 last year and did not pay any dividends. Why? Because they had an outstanding indebtedness of \$83,077,000, and if the president of that corporation or its board of directors had advocated the payment of a dividend, they would have taken them over to some insane asylum; and yet we propose to say to that company, "If you make \$11,000,000 in 1936 and do not distribute dividends you will pay a tax of 42.5 percent."

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield there?

Mr. LAMNECK. I know what the gentleman is going to say. He is going to say that we only tax them 22.5 percent, but the gentleman does not know that this company has a surplus of \$48,163,651 and funded debt and bank loans of \$83,077,000.

Mr. VINSON of Kentucky. If you have a surplus of \$48,000,000 and owe \$83,000,000, you have a deficit there of \$35,000,000 according to your own statement.

Mr. LAMNECK. I am not talking about the assets. I am stating that the funded debt of this company is \$83,000,000 and they have a surplus of \$48,000,000.

Mr. VINSON of Kentucky. If you have a funded debt of \$83,000,000 and a surplus of \$48,000,000, 48 from 83 would be \$35,000,000, and if you would amortize that over a period of 5 years you could put \$7,000,000 of your \$11,000,000 in net income to the payment of that debt at a rate of 22.5 percent and the other \$4,000,000 would be distributed under this plan.

Mr. LAMNECK. You could do that under certain conditions, but it would not apply to this company.

Mr. VINSON of Kentucky. How old is your debt? It is certainly more than 3 years old.

Mr. LAMNECK. I refuse to yield any further.

Now, here is another company, B. F. Goodrich Co., which in 1935 made \$3,429,000 and did not pay any dividends, and they were wise in not paying them, because they owed \$37,000,000.

Here is another company, Bethlehem Steel Corporation, which made \$11,509,020 and paid out \$3,268,604, or 28.4 percent, and the reason they did not pay more was because they had a funded debt of \$98,000,000.

Here is Armour & Co., which made \$9,000,000 and paid \$7,000,000, or nearly 75 percent of their earnings in dividends, and the reason they could do that was because they had a surplus of \$49,000,000.

Now, I presume I have called attention to enough of these concerns to illustrate my point.

I want to call to your attention the actual conditions in which certain business institutions find themselves. Here is a company that in 1931 lost \$496,521; in 1932, \$830,447; in 1933, \$742,340; in 1934, \$138,840; and in 1935, \$549,716.

In addition to this, they owe in back interest on their bonds \$669,101.64. Any sound executive running this company when earnings are again made would not pay a dividend, and if that policy were pursued the tax bill now under consideration would assess a penalty of 42½ percent against such corporation; and if their earnings in the succeeding 5 years should equal their losses in the last 5 years, it would take this company approximately 10 years to have the same financial standing as they had in 1931, and they would still be behind with interest of over \$669,101.64, the amount to which I referred above.

I want to call this case to the particular attention of the Democratic chairman of the Rules Committee and the other Members from New York City because this company is located in that city.

My next illustration is a concern in Cleveland, Ohio. I call this to the particular attention of my Democratic colleagues, the Honorable MARTIN L. SWEENEY, ROBERT CROSSER, and also my distinguished colleague, the Honorable CHESTER BOLTON.

This company lost in 1931, \$2,770,712.24; and in 1932, \$3,771,147.29; in 1933, \$3,168,589.28; in 1934, \$1,183,147.10; and in 1935, \$2,911,735.61.

It goes without saying that any executive who would advocate the distribution of dividends running this company would be fit for the insane asylum. Yet, we say, if you attempt to rebuild your capital structure by applying all your earnings your penalty is 42½ per cent; and, again, if the earnings in the succeeding 5 years were equal to the losses in the last 5 years, it would take 10 years before this company would hope to have the same financial status as in 1931.

If the earnings in the next 5 years are equal to the losses in the last 5 years, and we assess the tax of 42.5 percent, it will take until 1946 before this company will be in the same financial status it was in at 1930.

I might further say that this company had decreased its surplus about \$21,000,000 since 1926, running a plant during the depression, keeping men employed at a great loss.

I know competitors of this particular company who have plenty of surplus who distribute more than 70 percent of

their earnings, and will continue to do so, who are delighted that Congress, by legislation, will force into bankruptcy a substantial competitor.

I wish I had the time to go over this list I have here of companies that have distributed more than 70 percent of their earnings and will continue to do it. They are delighted that the Congress of the United States is passing a tax bill which will put these sick corporations out of business.

The next company I want to call to your attention is a company located in Michigan 40 or 50 miles from Toledo, Ohio. In 1929 they lost \$155,875; in 1930, \$332,548; in 1931, \$204,535; and in 1932, \$292,349.

If this company attempted to rebuild their losses for the 4 years mentioned they would be taxed 42½ percent, and, again, if the profits for the succeeding 4 years were equal to the losses in the last 4 years, it would take approximately 8 years to rebuild its capital structure.

Another company in Philadelphia in 1929 lost \$351,046; in 1930, \$732,843; in 1931, \$663,353; in 1932, \$317,618; and in 1933, \$204,967.

If this company attempted to rebuild their capital structure they would be taxed 42½ percent, and it would take the same length of time as that applying to the other corporations.

Another corporation in Ohio in 1931 lost \$300,000; in 1932, \$400,000; in 1933, \$80,000; in 1934, \$400,000; and in 1935, \$200,000.

This company, in addition to the losses from their operation, have preferred-stock dividends not paid of \$31.50 a share. The number of shares outstanding is 16,589.

Here is a large construction industry in Philadelphia that lost in 1932, \$1,019,875; in 1933, \$1,362,111; in 1934, \$517,219; and in 1935, \$623,792.

Who would say that this company should pay dividends, and who would say that any penalty should be applied against this company with the experience they have had?

Another company, located in Toledo, Ohio—I call to the particular attention of my colleague the Honorable WARREN J. DUFFEY—in 1931 lost \$4,495,796.96; in 1932, \$3,847,638.40; in 1933, \$2,815,959.89; in 1934, \$121,485.88.

What justification is there for penalizing this company for trying to rebuild its capital structure?

Another company, located in Wheeling, W. Va.—which I desire to call to the attention of my colleague the Honorable ROBERT L. RAMSAY—lost in 1931, \$3,415,443; in 1932, \$3,315,637; in 1933, \$249,079.

Here is a company that, in addition to having had these tremendous losses, was required to refinance and have a contract not to pay dividends; and yet the tax bill we propose increases their taxes 50 percent.

Another company in Virginia I call to the particular attention of my colleague the Honorable CLIFTON A. WOODRUM.

This company lost in 1932, \$193,605; in 1933, \$326,114; in 1934, \$78,695; and in 1935, \$8,923.

Should this company be penalized to the extent of 42½ percent when it attempts to put its house in order?

There is another company located in Virginia, a comparatively small company, lost in 1932, \$21,134.57; in 1933, \$19,975.93; in 1934, \$12,044.15; and in 1935, \$6,334.91.

The losses entailed by this small company are in excess of its total preferred stock outstanding. Fortunately it had some surplus and is still in the game, but the president of the company advises that if the bill is passed it will mean absolute ruination for them.

Another company in Ohio—I call to the particular attention of the Honorable FRANK L. KLOEB—lost in 1931, \$1,414,128.63; in 1932, \$890,536.68; in 1933, \$646,893.94; in 1934, \$490,825.94; and in 1935, \$538,707.57.

This company has continued to operate and has reduced its surplus over \$4,220,000. Practically all this went in the pay envelopes of men and women employees of this company.

Shall we penalize such a corporation that has been patriotic enough to assist with all its power in carrying us through this terrible depression?

I think I have illustrated the effect that this tax bill will have upon corporations whose financial standing is not of the best, and I dare say that this will apply to at least 75 percent of the business institutions in this country. It will mean more receiverships than we have had at any time within our history, if for no other reason than the fact that our tax bill provides that a corporation in receivership shall pay a tax of 15 percent, while a corporation, probably in just as bad a shape not wanting to go into receivership, would have to pay 22½ percent, or 42½ percent, as the case might be.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. TREADWAY. Mr. Chairman, I yield to the gentleman 10 minutes more, but I suggest that he yield to the gentleman from New Hampshire [Mr. TOBEY] for a statement.

Mr. LAMNECK. I yield.

Mr. TOBEY. Mr. Chairman, the gentleman made the statement a few moments ago that David Cushman Coyle was the real author of this new tax bill, and he asked who ever heard of him. I, a Republican, have heard of him, and I will tell the House who he is. He has been one of the leading members of the "brain trust" of this administration for the last 3 years and associated with Mr. Tugwell. He is the same man who made the statement to 4,000 trained nurses in convention assembled in the Auditorium in Washington 2 years ago that saving for a rainy day and thrift are out of date; that saving for a rainy day only makes it rain all the harder. He is the same man who wrote a book published last November, in which he said that what this country needs to bring it back to prosperity is to raise and spend annually \$50,000,000,000, this huge sum to be raised not by inflation but by taxation of income. In consideration of the fact that the total income of the country was only 45 billions in 1934 this statement may be cited as part of the asinine philosophy of the theorists now advising the present administration—unsound philosophies and theories which make thoughtful men and women cry out, "How long, O Lord, how long?" [Laughter and applause.]

Mr. LAMNECK. I stated earlier that this bill would mean a capital levy in many cases. Assuming that a corporation owed a bank \$50,000 which was borrowed today for working capital and at the end of the year they made \$50,000 and took it over to pay the bank, the Government would assess a tax of 42½ percent against this corporation and the corporation would either have to borrow \$21,250 or take it out of its capital, if it had any.

I claim that instead of passing a law increasing the tax rate on these sick corporations, as we do under this measure, we should at the worst leave it as it is and if there is a possibility of doing it, we should reduce the tax rate.

Another feature of this legislation I want to discuss for a moment or two is the so-called "windfall" proposal. This provides for a levy against the taxes assessed against processors not paid when the Triple A was declared unconstitutional, the rate to be 80 percent. Some processors passed the tax on to the consumers and others did not. The group that were not able to pass it on are the small independent pork packers who process about half of the pork in the United States. They have lost money from the day the processing tax was assessed, caused by the processing tax, the drought, and the decreased consumption of the American people.

If this bill, as proposed, is passed, it will put out of business a great majority of over 1,100 pork processors and will leave the packing industry practically in the hands of the large monopolistic group.

I do not know how you feel about it, but I cannot go along on a bill that may put out of business over 1,100 business concerns and destroy the possibility of employment for the group now employed in this industry.

I have quite a number of these packing houses in my congressional district, the largest one owing in processing taxes \$930,565.29; their total available quick assets, including cash, accounts renewable, and product on hand and

consigned to brokers, is \$1,298,000. If the Government collects this tax, it will mean that the total quick assets of this company must be sold to pay the tax lien. This company has been in business for some 50 years—it has always made money until the processing tax went into effect.

I urge you, ladies and gentlemen, to give serious consideration to this feature of the bill before casting your vote.

In conclusion, the claim that is made for this legislation is that it will cause a greater distribution of earnings that can be taxed and which are now exempt from normal tax. Second, that it will put in the channels of trade greater purchasing power. Now let us analyze that for a moment. The total net income of all corporations in 1921 was nothing; in 1922 it was \$4,400,000,000; in 1923 it was \$5,800,000,000; in 1924 it was \$5,000,000,000; in 1925 it was \$7,000,000,000; in 1926 it was \$6,800,000,000; in 1927 it was \$5,900,000,000; in 1928 it was \$7,600,000,000; in 1929 it was \$8,100,000,000; in 1930 it was \$1,400,000,000; in 1931 the loss was \$3,100,000,000; in 1932 it was \$5,400,000,000; and in 1933 it was \$2,400,000,000.

To put it in another way, the total net income of all the corporations in the United States during this 13-year period was \$41,100,000,000. The total dividends paid out was \$50,700,000,000. In other words, the corporations of this country distributed to its stockholders \$9,600,000,000 more money than they earned during the most prosperous period of our history.

How then can the argument be used, based upon this record, that in a like period in the future that a greater distribution of dividends will be made?

I want some proponent of the bill to answer that inquiry.

The claim is also made that the corporations in the past have paid out on an average of about 30 to 35 percent of their earnings. Let us analyze this statement for a moment.

In 1924 the corporations distributed 51.1 percent of their earnings; in 1925, 49.2 percent; in 1926, 54.8 percent; in 1927, 60.4 percent; in 1928, 57.1 percent; in 1929, 59.9 percent; in 1930, 87.3 percent; in 1931, 88.9 percent; in 1932, 94.7 percent; in 1933, 75.5 percent.

The average for the 10-year period has been 67.9 percent, showing about a 50-percent distribution in normal times, and from 76 percent to 95 percent in the depression period.

If you pass this tax bill and you do distribute more profits, they will not be able to pay out 76 percent or 80 percent or 95 percent when we have a period of hard times again.

If the new tax bill becomes a law, I want to know where the money is coming from to operate these plants. The record shows that all the corporations combined during the depression period lost, in 1931, over three billion; in 1932, over five billion; and in 1933, nearly two and one-half billion.

Ladies and gentlemen, we should not permit this legislation to be settled on the basis of our political affiliations. A tax bill that is against the general welfare of the public should be defeated regardless of its origin or regardless of its sponsors. It should be approved if it is equitably assessed and does no particular harm to the taxpayer.

On the other hand, if it "kills the goose that lays the golden egg", we should not vote for it to become a law. I hope that this bill can be decided upon its merits, regardless of party. We need a tax bill. We should have had a tax bill long ago, and I am for a tax bill that goes much further and one that will raise more revenue than this bill, but I cannot reconcile myself to a piece of legislation that I think will mean destruction of the business interests of this country, without which there can be no prosperity. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield myself 5 minutes. I do this to make a brief, dispassionate statement in answer to the impassioned statement made by the gentleman from Ohio [Mr. LAMNECK], with reference to his request for time to discuss this tax bill. A part of the statement is correct, and as to a part of it there is a misunderstanding, for I would not say that the gentleman would deliberately make a misstatement; I have too high a regard for the gentleman to make such an assertion. Sometime before the time for general debate was agreed upon, according to

my recollection, before the bill was reported out of the committee, I received a letter from the gentleman from Ohio requesting that I give him 30 minutes' time to speak in opposition to the bill. At that time, as I stated, no agreement had been reached as to the time for general debate. Of course, I was not in position to say to anyone how much time he could have, not knowing how much time I could even have myself. When the time was fixed I thought I would answer his letter, after I had ascertained how much time would be allowed by the House. Later the time was arranged. After the time had been fixed by the House, I saw the gentleman on the floor of the House, and I forget whether he spoke first to me or whether I did to him. I think I approached him about the matter, about his writing to me requesting time. It was known then that there were to be 16 hours of general debate in which to discuss the bill, with the understanding, when the permission was obtained, that one-half of the time was to be occupied by those favoring the bill and one-half the time by those opposed to the bill, the time of those favoring the bill to be under my control and the time for those opposed to the bill to be in the control of the gentleman from Massachusetts [Mr. TREADWAY]. We have 18 majority members on this side on the committee. Divide by 18 the 8 hours we have, and, if I am correct, it will give 25 minutes to each. How would I have been justified in giving any one member of the committee, especially not a member of the subcommittee, more than the average member of the committee, until I knew what requests would come from other members of the committee? I stated to the gentleman from Ohio in our conversation, because I was very careful to know what I was saying, when we talked about the time on the floor of the House, that inasmuch as there were only 8 hours on a side, I thought it would be better for him to get his time, if he was going to oppose the bill as he had written he was, from those who controlled the time in opposition to the bill. I did not refuse to let him have the time. I said I thought it would be better for him to get it from the gentleman from Massachusetts. I further stated to him that if there were Members on the minority side who desired to speak for the bill, if Mr. TREADWAY would give them time, then I would give him time.

That was the last I heard about it and the last said about it. In view of the fact that there are almost three times as many members on the majority as on the minority side of the committee, if anyone thinks that I should have taken more than his proportionate share and given him 30 minutes, then I suggest that that would have left only 24 minutes each to the other 17 members of the committee. Does any fair-minded man on this side or on the other side of the Chamber believe that I have done anything wrong about it? If he does, I will be glad to have him stand up and say so. Mr. Chairman, I have been chairman of this committee almost 4 years, and up to this time this is the first, so far as I know, that any member of the committee, majority or minority, has intimated that I have not been perfectly fair to every member of the committee and granted each every courtesy to which members were entitled.

Mr. Chairman, I yield 30 minutes to the gentleman from Tennessee [Mr. COOPER].

The CHAIRMAN. The gentleman from Tennessee is recognized for 30 minutes.

Mr. BIERMANN. Mr. Chairman, will the gentleman from Tennessee yield to me?

Mr. COOPER of Tennessee. Yes.

Mr. BIERMANN. The gentleman from Ohio [Mr. LAMNECK] made the statement, if I heard him correctly, that if a corporation borrowed \$50,000 now and during the year made a profit of \$50,000, then in order to pay back that \$50,000 to the bank it would have to borrow \$21,250 to pay the taxes under this bill. Is that correct?

Mr. COOPER of Tennessee. No; I do not think so.

Mr. BIERMANN. What would be the situation of a company borrowing \$50,000 and making a profit of \$50,000 during the current year? What would that company have to pay in taxes?

Mr. COOPER of Tennessee. Of course, I cannot at the moment answer the question without having opportunity to figure it and know what other factors would enter into it, but I feel reasonably sure that no situation similar to that would result.

Mr. Chairman, it has been rather interesting to observe the line of attack made by the opponents of this bill. These attacks have consisted of meaningless generalities. Nobody who has thus far spoken in opposition to the bill has undertaken to analyze the real purposes to be accomplished by the bill, or has in any sense shown wherein these are not worthy and desirable purposes.

Mr. ANDREWS of New York. Will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. ANDREWS of New York. Has anyone who has spoken for the bill analyzed more specifically and more correctly the bill than the gentleman from Ohio [Mr. LAMNECK], who has just concluded?

Mr. COOPER of Tennessee. Yes. Of course, every man is entitled to his own opinion; but I think the analysis made of the bill yesterday by the chairman of the committee, and certainly by the chairman of the subcommittee, is far superior to any analysis or any consideration given by the gentleman from Ohio or any other Member who has spoken on the bill. [Applause.]

In passing, I might observe that I do not think our distinguished friend from Ohio [Mr. LAMNECK] is in any sense justified in the remarks he made or the position he took toward the chairman of the Committee on Ways and Means. I feel that I voice the true sentiment and feeling of every member of that committee, both the majority and the minority sides, when I say there could not be found a man who has been fairer or more considerate of all members of that committee than our distinguished chairman the gentleman from North Carolina [Mr. DOUGHTON]. [Applause.]

The gentleman from Massachusetts [Mr. TREADWAY], the ranking minority member, invited a comparison of the two reports filed on this bill—the majority and the minority reports. I cheerfully join with him in that invitation. Any fair-minded or reasonable person who will analyze the majority report and then analyze the minority report cannot fail to reach the conclusion that the majority report is far superior to the minority report, or that there is not any basis for comparison at all. The majority report on this bill undertakes to give an analysis of the bill itself for the convenience of the Members of the House who are to study the measure in determining their position on it. The minority report is simply a statement of meaningless generalities, and for all practical purposes is nothing more than a partisan political speech.

Mr. JOHNSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. JOHNSON of Texas. The distinguished gentleman from Massachusetts [Mr. TREADWAY] who criticized the committee for not permitting the Republicans to write the bill, was short-sighted in his recollection with reference to his own party, when the tariff bill was written, when they not only excluded Democratic members from writing the bill, but brought it in under a closed rule, whereby no amendments could be offered to the bill on the floor of the House. The present bill is brought in under an open rule and is open to amendment.

Mr. COOPER of Tennessee. This bill is here under the general rules of the House. No rule was applied for by the Ways and Means Committee.

Since the gentleman has mentioned that point, it might be worthy of some note to remind ourselves of the situation that actually existed during the consideration of the so-called Hawley-Smoot tariff bill. That was my first experience as a Member of Congress. I had just arrived as a Member of this body, serving in the special session called shortly after the inauguration of President Hoover. I shall never forget the impression that was made on me by the consideration given that bill. In the corridors of the old

House Office Building, for a block in each direction from the old Ways and Means Committee room, you could not go along the hallway for the lobbyists swarming there to write a high protective-tariff bill in their own interests and for their own welfare.

Mr. BACHARACH. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. That condition existed throughout the consideration of that bill.

I yield to the gentleman from New Jersey.

Mr. BACHARACH. Was the gentleman a member of the Ways and Means Committee at that time?

Mr. COOPER of Tennessee. I was not a member of the Ways and Means Committee.

Mr. BACHARACH. I rather thought the gentleman was not, because the gentleman is not stating the facts, as a matter of fact.

Mr. COOPER of Tennessee. Well, I beg the gentleman's pardon, but I know it is a fact.

Mr. BACHARACH. I happened to be a member of that committee at that time.

Mr. COOPER of Tennessee. I happened to be a Member of Congress, and I passed there every day going to my office. I had to wind my way through those lobbyists swarming in the hall around the Ways and Means Committee room while you were preparing that bill. [Applause.]

Mr. BACHARACH. I am very sorry, because I have a great regard for the gentleman from Tennessee, but I want to say that, insofar as either the Democratic or Republican members of that committee were concerned, they were just exactly the same standard as they are today, and I do not think any member, be he Republican or Democrat, could have been influenced by a lobbyist, and I know that with Mr. Garner on that committee, no lobbyist would be allowed to go around near the Ways and Means Committee room or any other room. [Applause.]

Mr. COOPER of Tennessee. Has the gentleman forgotten the fact that it was a matter of common knowledge and charged on every hand—

Mr. BACHARACH. Just the same as you are being charged today—

Mr. COOPER of Tennessee. That Joe Grundy, of Pennsylvania, and his cohorts controlled the writing of that bill? Has it also been forgotten that it was shown without doubt that a Republican Member of the Senate carried a lobbyist into the committee room with him when the bill was under consideration in the Senate?

Mr. BACHARACH. I wish the gentleman would name the lobbyist.

Mr. COOPER of Tennessee. It is a matter of common knowledge that former Senator Bingham, of Connecticut, was criticized generally for having done that. The gentleman's memory is far too short.

Mr. BACHARACH. No; no. My memory happens to be perfect, because I happened to be a member of that committee and the gentleman from Tennessee was not.

Mr. COOPER of Tennessee. But I happened to be a Member of Congress, and I am stating the impression that was made upon me.

Mr. BACHARACH. I think it is a serious reflection on the Democratic members of the Ways and Means Committee at that time, just the same as it is a serious reflection on the Republican members of the Ways and Means Committee. I am in earnest about this bill. I do not believe any member of the Ways and Means Committee at any time during the 22 years I have been a Member of Congress could be influenced by any lobbyist or anyone else.

Mr. COOPER of Tennessee. The gentleman is entitled to his opinion, but the fact remains the lobbyists were there in swarms, and everybody who was here then knows this to be true.

We have heard criticism of the method of drafting this bill, criticism because the majority members wrote the bill. The Republicans did the same thing on the tariff bill. The Democratic members were locked out, not allowed to participate at all. The Republicans wrote the bill.

The gentleman from New York criticized the bill because he said it was not fairly considered in the committee. The statement was made here yesterday by the distinguished gentleman from Washington, who was a member of the Ways and Means Committee during the consideration of the Smoot-Hawley tariff bill, that that bill was brought in and laid down on the table, and without reading a line or examining a word of it the Republican members voted it out. That is the situation.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. REED of New York. Does the gentleman dispute the fact there never was a hearing on this bill until it was laid before the committee 2 days before it came to the floor of the House?

Mr. COOPER of Tennessee. I have not made any such statement as that.

Mr. REED of New York. The only hearings were upon a subcommittee report, a subcommittee unable to agree upon a bill.

Mr. COOPER of Tennessee. The hearings were before the full committee.

Mr. REED of New York. Then the full committee came in and testimony was taken on a subcommittee report.

Mr. VINSON of Kentucky. The gentleman's statement about the committee being unable to agree upon the report is not borne out by the subcommittee's report itself.

Mr. COOPER of Tennessee. The gentleman's memory is too short, much shorter than I ever thought it was. The real truth is that the President's message was referred to the Ways and Means Committee. Within an hour after the committee received that message the chairman called a meeting, and the full committee met. After free and open discussion the matter was referred to the usual standing subcommittee on taxation. This subcommittee immediately began work and continued for 3 weeks, day after day and sometimes at night, and then formulated a report, made a written report to the full committee, covering nine-tenths of this bill as it appears here today. On that report hearings were held before the full committee, all members having free opportunity to participate in the hearings. Everybody was given an opportunity to appear and make any statement they saw fit as to their attitude on the proposals contained in this report.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. In a moment. On the tariff bill the gentleman talks about there was not any bill, there was not any report, there was not anything upon which hearings were held; and after the hearings were closed, the Republican members assembled behind closed doors and wrote the bill.

Mr. REED of New York. I accept the gentleman's apology, because he has stated exactly what I stated, that there was no public hearings held on this bill and nobody ever saw this bill until the day before it was introduced.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. VINSON of Kentucky. What revenue bill has ever been prepared by Congress where the bill preceded the hearings?

Mr. COOPER of Tennessee. Directing my remarks to the gentleman from New York, this revenue bill was drawn in the way all revenue bills are drawn; it is the only way a revenue bill ever has been drafted.

Mr. REED of New York. I am talking about this particular bill. The only statement I made which has been challenged is the fact, as I stated here, that no hearings were held upon this bill, that the bill was not introduced until just before it came to this House.

Mr. WADSWORTH. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman from New York will state the point of order.

Mr. WADSWORTH. Mr. Chairman, my understanding of the rule governing the proceedings of the Committee in the consideration of this bill is that remarks shall be confined to the bill itself.

The CHAIRMAN. The gentleman is correct.

Mr. WADSWORTH. I have waited 17 minutes to hear the gentleman from Tennessee discuss the bill.

The CHAIRMAN. The gentleman will proceed in order.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. VINSON of Kentucky. It has been the practice for more than 15 years, and according to Mr. Beaman, of the legislative counsel, there never has been a tax bill introduced first and hearings held upon the tax bill. We have pursued the usual course in this instance.

Mr. WADSWORTH. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. COOPER of Tennessee. Mr. Chairman, I want to be heard on the point of order.

Mr. WADSWORTH. Mr. Chairman, I repeat the point of order I made a moment ago. I am not deterred from repeating it by the remarks of the gentleman from Kentucky. My point of order is that discussion must be confined to the bill. How long are we to wait until we get a discussion of it?

The CHAIRMAN. The gentleman from Tennessee had yielded to the gentleman from Kentucky. The Chair assumes the gentleman from Kentucky has now finished.

The gentleman from Tennessee will proceed.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Whether or not Republican members of the subcommittee were present at these executive meetings of the committee—

Mr. WADSWORTH. Mr. Chairman, again I repeat my point of order. The gentleman's remarks are not relevant to the bill.

Mr. COOPER of Tennessee. Mr. Chairman, I desire to be heard on the point of order.

I have the right to discuss the bill as I think proper.

The CHAIRMAN. The Chairman overrules the point of order. The Chair thinks the argument is legitimate.

Mr. COOPER of Tennessee. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. My question is whether or not it is not a fact the Republican members of the subcommittee also participated in the preparation of this report?

Mr. COOPER of Tennessee. That is absolutely true, and I invite the gentleman's attention to this language.

Mr. McCORMACK. I am acquainted with it, but I think it would be interesting for our colleagues to know what the language is.

Mr. COOPER of Tennessee. The report made by the full subcommittee, consisting of four Democratic Members and three Republican Members, is this:

This report embodies the recommendations of the subcommittee of the Ways and Means Committee to the full committee with respect to the taxation of undistributed income of corporations, elimination of the present corporation tax, termination of the capital-stock tax and excise-profits tax, imposition of taxes on unjust enrichment occurring as a result of the nonpayment of excise taxes and related matters. The recommendations submitted herewith contemplate only such changes in the Revenue Act of 1934, as amended, as are necessary to carry out the policies herein set forth.

That is the report of the full subcommittee to the Ways and Means Committee, and there is not a line in it indicating there was any disagreement on the part of any minority Member, nor were there minority views filed. As I endeavored to point out a few moments ago, this bill as it stands today conforms to that subcommittee report in nine-tenths of its provisions.

We hear a lot of criticism raised here about the procedure employed for the consideration of this bill, which reminds

me of the old saying that we have heard repeated so many times with reference to the experience of lawyers around the court room: "When the law is against you, talk about the facts. When the facts are against you, talk about the law. When both the law and the facts are against you, just raise hell in general." [Applause.]

That just exactly describes the attitude of the opponents of this bill. In their minority report they make a purely partisan and political speech, and that is all there is in it.

Mr. Chairman, this bill, as has already been indicated here, is in response to the message of the President of the United States sent to Congress on March 3. In that message the President stated:

On January 3, 1936, in my annual Budget message to the Congress, I pointed out that without the item for relief the Budget was in balance. Since that time an important item of revenue has been eliminated through a decision of the Supreme Court, and an additional annual charge has been placed on the Treasury through the enactment of the Adjusted Compensation Payment Act.

I simply invite attention to the fact that all of the additional revenue provided in this bill is for the purpose of paying the farmers and the soldiers of this country. That is the entire situation that we have here today.

Mr. Chairman, there are \$500,000,000 needed for the new farm program and \$120,000,000 a year for payment of the adjusted-service certificates of the veterans. This makes \$620,000,000, which is the permanent revenue provided for in this bill. In addition there are \$517,000,000 needed for the outstanding contracts and obligations that the Government now owes to the farmers under the old A. A. A. Divided up into 3 years this would be \$172,000,000 a year which is necessary to pay these farmers what the Government has contracted and agreed to pay.

In this bill we provide a windfall tax which is estimated to yield \$100,000,000 and a capital stock tax which is estimated to yield \$83,000,000. This makes a total of \$183,000,000 to take care of the \$172,000,000. The President says this revenue is needed. The opponents of this bill come along and in one breath argue that the bill will not produce any revenue, and then in the next breath they argue that it will destroy and ruin the business of the country. How in the world is it going to do both things at the same time? If it does not produce any revenue it cannot hurt anybody. If it does produce the revenue, why, of course, it will provide the funds that are needed as indicated in the President's message. Our distinguished friend from Ohio who preceded me in the discussion of this bill had much to say in general terms about the bill. My very warm personal feeling for him precludes me from saying anything further than to point out the fact that in this instance he is following his rather consistent course of opposing practically all measures proposed by this administration as well as most other measures that come along.

Now, let us bear in mind that the President said additional revenue was needed. Where should we look for this revenue? That occurs to me to be the first question that we should ask ourselves. I want to mention a few points in this connection. Does anybody think that the personal income-tax rates should be raised if by merely making the present rates effective, which means stopping their evasion, the additional revenues required may be obtained?

If the Government is going to get more revenue it has to come out of somebody's pocket. Unless Congress takes a part of his capital, no taxpayer can pay taxes except out of one of four kinds of receipts. That is, business profits, wages and salaries, interest and rents. It must be from one of those four sources. If any one of these four items is expanding rapidly at this time and the others are not, does not the avoidance of undue hardship require that the added tax burden be put upon that item which is increasing?

I understand there is a group of 161 corporations or industrial institutions, including railroads, utility companies, and so forth, used as representative by the Standard Statistics to indicate the trend of corporate profits. Without correction for seasonal variations, these 161 companies had earnings

during the third quarter of 1935, 56 percent in excess of those for the like quarter of 1934, and the unrevised figures for their earnings during the fourth quarter of 1935 show an increase of more than 132 percent over their earnings for the fourth quarter of 1934. When corrected for seasonal variations, the corresponding percentages of increase are 69 percent and 117 percent. These figures indicate that the rising tide of corporate earnings is now flowing in full stream into the profit accounts of corporations.

I want to ask you whether there has been a corresponding and proportionate increase in wages and salaries, interest, and rents? Has it not always been true, just as it is now, that it is a considerable time after business profits increase before there is a corresponding and proportionate increase in wages and salaries, interest, and rent; and if that is so, would it not be premature to impose a heavier burden on personal incomes generally as opposed to a heavier tax on business profits as such? I would therefore submit that the plan presented by the President is the plan that should be adopted and it is to that source we should look for additional revenue.

Mr. MCCORMACK. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. MCCORMACK. It must be borne in mind also that this measure is predicated upon statutory net income as distinguished from gross income.

Mr. COOPER of Tennessee. That is true.

Mr. MCCORMACK. And in no way disturbs the statutory deductions for depreciation, obsolescence, depletion, interest, and the other statutory deductions which in the case of one corporation with a gross income of \$60,000,000 had \$47,000,000 of statutory deductions, and after the payment of taxes and other expenses had a statutory net income of \$1,000,000 plus. They had a gross income of \$60,000,000, which did not include the operating expenses, salaries of employees, and so forth, for the year, indicating the liberality of the statutory deductions which are permitted under the present law and would continue under the proposed law.

Mr. COOPER of Tennessee. The gentleman is correct. I cannot, in the time allotted to me, cover all the points that might be of interest, based on the observation made by the gentleman from Massachusetts, but I would invite the attention of the members of the Committee to page 22 of the hearings, which gives a rather comprehensive statement of the situation now existing with reference to corporations taking deductions for depletion, depreciation, and obsolescence; and it will be borne in mind that this is not disturbed in any sense by this bill. The corporation continues to enjoy all of the advantages and opportunities that exist under present law, so far as these deductible items are concerned.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. VINSON of Kentucky. On that point, between the period 1926 and 1929 there was 16.2 billion dollars written off in depreciation and depletion; between 1930 and 1933 there was 16.4 billion dollars written off in depreciation and depletion; and in the last period, 1930 to 1933, the amount allowed for depreciation and depletion was 49.9 percent of the net income for that period.

Mr. COOPER of Tennessee. That is true, and they are the facts that are shown by this statement in the hearings to which I invited attention a moment ago.

Mr. FORD of California. Mr. Chairman, will the gentleman yield for a question?

Mr. COOPER of Tennessee. I yield to the gentleman from California.

Mr. FORD of California. Has it not been stated by the opposition repeatedly that this measure will not raise any more revenue than we are getting at the present time?

Mr. COOPER of Tennessee. That is true.

Mr. FORD of California. Then why are they opposing it?

Mr. COOPER of Tennessee. I made the observation a few moments ago that I did not see how it could do both things at the same time.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. CRAWFORD. With reference to the statement just made with respect to credits and deductions, is there anything in the bill that prevents an individual from deducting all of the taxes paid to units of government, such as State, county, and city taxes?

Mr. COOPER of Tennessee. Oh, there is no change from existing law on that point in this measure.

Mr. CRAWFORD. There has been some discussion of that in the newspapers, and I was just wondering if anything of that sort had been included.

Mr. COOPER of Tennessee. No; there is no such change in this bill. The present law is not affected in any sense in that respect.

[Here the gavel fell.]

Mr. SAMUEL B. HILL. Mr. Chairman, I yield the gentleman from Tennessee 15 additional minutes.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. MICHENER. Did I understand the gentleman to say that this new bill would not raise any more revenue than existing law?

Mr. COOPER of Tennessee. Certainly the gentleman could not have understood me to say that.

Mr. MICHENER. I thought in answer to the question of the gentleman from California [Mr. FORD] the gentleman made that statement.

Mr. COOPER of Tennessee. No; the gentleman from California asked me if that statement had not been repeatedly made by the opponents of the bill, and I answered that it had. I have heard it repeatedly said here that the bill will not produce any revenue—in fact, it is so stated in the minority views—and at the same time they say it will wrack and ruin the business of the country. I am unable to see how, if it does not produce any revenue, it is going to place such a burden upon people that they will be wracked and ruined.

Mr. MICHENER. If you put them out of business entirely, regardless of tax, that would be the effect. However, my question was based on the fact that I got from what the gentleman stated that the real purpose of this bill is to change the system; that the reform or change of the system is the primary purpose of the bill, and secondary to that comes the matter of revenue.

Mr. COOPER of Tennessee. I hope the gentleman will not take any more of my time.

Mr. MICHENER. Am I right or wrong?

Mr. COOPER of Tennessee. I will answer the gentleman in this way: The title of this bill reads "A bill to provide revenue, equalize taxation, and for other purposes." If there ever was a true statement in the title of any bill, it is the statement here that the object is to raise revenue and equalize taxation. That is the purpose of it.

Mr. LUCAS. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. LUCAS. Some reference was made in the previous discussion by the gentleman from Ohio about the tax that the Ford Motor Co. might or might not pay. Am I correct in my understanding that in the event the Ford Motor Co. next year should make \$15,000,000 as a net profit and pay out that sum in dividends, the corporation itself would pay no tax under the present bill?

Mr. COOPER of Tennessee. That is true.

Mr. VINSON of Kentucky. It should be stated there that the tax under existing law—the maximum rate—is 15 percent, and there is the capital-stock tax and the excess-profits tax, and of course, the rate upon the money in the hands of the shareholders of the Ford Motor Co. would reach the high surtax brackets and much more money would come into the Treasury than under the existing corporate tax.

Mr. COOPER of Tennessee. Now, the gentleman from Ohio to whom reference has been made also said something about a man by the name of David Coyle being the one who proposed this measure. With all due deference to the gentleman, as one member of the subcommittee who, I think, has been as

attentive as any man could be in an effort to discharge the duties imposed, one who has been in every conference, I think, that has been held on this bill, and who has participated as freely as anybody else who has had a part in the consideration of this bill, I want to say to the gentleman that I never heard of the man Coyle before in my life until the gentleman mentioned him here today.

I can say that he had nothing to do with this bill. The gentleman says that we ought to write our own bill. If there was ever a bill presented to this House for consideration that was completely written in every detail, every question of policy determined by the committee in charge, it is true in this instance. Your committee has been laboring for 8 weeks, day and night, and has brought this bill here as a product of the committee. We present it to you as the best we could accomplish under our efforts.

Now, I want to touch briefly upon some of the provisions of this bill and again remind you of the principle upon which this bill rests.

As was stated by the chairman of the committee, the bill is based upon justice and equality, and certainly a sounder principle cannot be found for any bill than that.

There are two important points that should be borne in mind in connection with this bill. The first is that all existing surpluses and reserves of corporations are not taxed; they remain in the future as they exist now.

It should be borne in mind that under this plan all existing corporation taxes are repealed. That is, the corporation income tax from 12½ to 15 percent. Capital-stock tax, \$1.44 a thousand, and the present excess-profit taxes are repealed, and this new system is inaugurated in place of them.

Mr. CRAWFORD. Will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. CRAWFORD. Am I confused in this? Is it not true that the accumulated surplus prior to 1935 will enter into this tax picture insofar as dividends paid from excess earnings in 1934 first and in 1933 second?

Mr. COOPER of Tennessee. The gentleman is not exactly accurate.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. VINSON of Kentucky. The difference carried over looks to the future and does not look back into the past years.

Mr. CRAWFORD. The word "preceding" refers to the future?

Mr. VINSON of Kentucky. You are dealing with the taxable year next before. For instance, running along until 1938 you have a dividend distribution, and the carry-over from 1936 and the difference between the dividend declared and your adjusted income is a credit for 1937 and 1938. If you are dealing with 1938, you take 1936 first.

Mr. CRAWFORD. I was referring to 1933 and 1934.

Mr. COOPER of Tennessee. Mr. Chairman, the gentleman from Ohio [Mr. LAMNECK] made the statement, as I got it, that under existing law there is no tax avoidance, no tax evasion of any consequence by reason of enormous surpluses being piled up. Of course, he is just mistaken in that. The real fact is that \$1,600,000,000 in taxes yearly are being evaded through that method, and that is just the amount of the tax, which means something like four or five billion dollars a year that are being piled up in enormous surpluses in corporations throughout the country. This bill simply presents this situation. In the future, as in the past, a corporation may have all the surplus and all the reserves that it wants to have. It can conduct its business affairs as its business judgment dictates to it, and this tax plan simply provides that whatever net income the corporation has, its earnings and profits shall go through the tax mill just like your money and mine. I am unable to see that there is anything unfair or unreasonable about that. Instead of allowing enormous surpluses to be piled up in corporations, in order to keep the individual shareholders in closely held corporations from having to pay individual income tax, that

would force them up into the high surtax brackets, they just keep piling it up in surpluses in the corporation—a pure tax evasion, purely for the purpose of avoiding the payment of individual income tax. That is what this bill meets; that is the situation that is corrected by it. I am unable to see how there is anything unfair or unreasonable about that. On the contrary, I think it is the very essence of fairness and sound common sense for us to provide that the corporations of the country, which are artificial persons, recognized in law as such, with the right to sue and be sued, when they have earnings and profits, clear money, shall pay a tax on it as you and I do.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. Yes.

Mr. FITZPATRICK. This will simply close up the loopholes so they cannot evade the payment of a tax?

Mr. COOPER of Tennessee. That is the purpose. Mr. Chairman, a great deal has been said about complications presented here. Of course, any tax bill has to be complicated in its phraseology. There never has been one presented here that was not complicated. I invite any fair person to compare this bill in its terms and phraseology with the existing income-tax law, especially the surtax brackets. It is not, as I say, anything like as complicated as that is. You simply ask the corporations two questions at the end of the year under this plan. The first is, What was your net income; what did you make? If they answer that, then the next question is, What did you do with it; did you pay it out in dividends to your stockholders? If you did, you do not owe us a dime; but if you did not pay it out to your stockholders, then you owe us a tax on it. That is all it means. It is based on the principle of fairness and equality to all.

The CHAIRMAN. The time of the gentleman from Tennessee has again expired.

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 5 minutes more.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. Yes.

Mr. McCORMACK. Some reference has been made to the 248 pages of the bill. In connection with that, is it not a fact that most of the contents of this bill are the present law which was necessary to incorporate in there?

Mr. COOPER of Tennessee. That is true. This bill is prepared just like every other tax bill has been prepared since 1922. The new law is superimposed upon existing law.

This bill neither repeals nor amends the 1934 Revenue Act. It is made effective, as is shown right here in the beginning of the bill:

The provisions of this bill shall apply only to taxable years beginning after December 31, 1935.

Of course, the former law applies to former tax years.

Mr. FULLER. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. Yes.

Mr. FULLER. The statement has been made here, especially by the gentleman from New Hampshire [Mr. TOWERY], describing a man named Coyle as one who drew this bill. Is it not a fact that this bill was drawn absolutely solely and entirely by the gentlemen who sit in back of the committee, the legal experts of our committee, together with the legal experts from the Treasury Department, in conjunction with the Democratic members of the committee?

Mr. COOPER of Tennessee. That is correct. I ask your indulgence again just for a moment to point out a few illustrations of the real situation we have here so far as this new system is concerned. Take, for instance, the treatment that is given here to the corporations of the country. They are divided into two groups—corporations with an adjusted net income of \$10,000 or less, and corporations with an adjusted net income of \$10,000 a year or more. For the corporations with \$10,000 a year or less in adjusted net income, schedule no. 1 of rates applies. The

statement has been made here by the opponents of the bill that a tax is levied upon a surplus of the corporation. That is not the situation at all. The tax rate applies to the adjusted net income of the corporation for the taxable year.

The rate is measured by the amount of surplus they retain. Just as an illustration, refer on page 15 of the bill to schedule no. 1. For instance, a corporation which makes \$10,000 in statutory net income, wants to retain 10 percent of that in surplus; that would be \$1,000. Then if you look at the schedule you will see that corporation would pay a tax on its net income of \$10,000 of 1 percent. That is \$100 tax. Under existing law it pays \$1,500 tax. That is just \$1,400 saving to that corporation.

Now, go on down and take a corporation, for instance, that wants to retain 30 percent of its net income; it would pay a tax of 7½ percent on the \$10,000 net income, whereas under existing law it pays a tax of 15 percent. That is just one-half, under this bill, that it has to pay under existing law. If you go on down through, it shows the effect that the treatment provided here gives to the various corporations of the country.

It should be remembered that of the 257,000 corporations of this country showing statutory net income, 214,000 of them come under schedule I, the smaller schedule of rates, and only 43,000 of the corporations of the country come under the other schedule. That gives you some indication of the fairness that prevails throughout the treatment of this entire subject.

Just a moment to briefly touch upon the so-called unjust enrichment tax.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. COOPER of Tennessee. The distinguished gentleman from Ohio [Mr. LAMNECK] is opposed to that. Certain Members of the minority are opposed to that. How any man can justify a position in opposition to that is more than I can understand. The principle involved is simply this: Where the processors throughout the country collected a tax from their customers and failed to pay it to the Government, we simply provide here that an income tax of 80 percent shall be levied against that. There was \$180,000,000 impounded in the courts under the processing tax, and the whole amount is about \$253,000,000 of this unjust enrichment, the processors throughout the country passing the tax on and the consumers having to pay, and still they did not pay it to the Government. We took the position that if anybody collected a tax and passed it on to the consumer, they should pay that to the Government. Of course, the consumer is the one who is really entitled to it, but obviously we could not give it to him. We think the next best thing is to give it to the consumers' government, the General Government. The Government should receive 80 percent of this money. Some of them took the position that we should not even try to get that money. It should be borne in mind if the processor did not pass the tax on and collect it from his customers, he does not owe a dime.

Mr. HARLAN. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. HARLAN. In the event of a pork packer, for example, who did not pass the tax on but who is nevertheless hopelessly in the red as a result of the whole proceeding, is there anything to protect that man? I am seeking information.

Mr. COOPER of Tennessee. I think he is amply protected.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. VINSON of Kentucky. If he is in the red and does not make a net profit on the business, if he does not make any income on the transactions involved, there is no tax. If you multiply nothing by 80 percent, of course the tax is nothing.

Mr. HARLAN. Is the tax based on 80 percent of the unjust profits, or is it on the income?

Mr. VINSON of Kentucky. It is the unjust profits counted in with his business.

Mr. COOPER of Tennessee. The tax is 80 percent against this income derived as unjust enrichment. That is what it is.

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. COLDEN. Why should not the Government retax the whole amount instead of 80 percent?

Mr. COOPER of Tennessee. Well, we knew they had some expenses in the collection and handling of the processing tax. It was shown to us that some firms claimed their expenses amounted to about 13 percent. In addition to that, we had involved the legal question that we could not completely confiscate.

Mr. HOUSTON. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. HOUSTON. Is it not a fact that there will be an adjustment made on this particular phase of the tax bill?

Mr. COOPER of Tennessee. Yes.

Mr. HOUSTON. And then 80 percent after the adjustment is made?

Mr. COOPER of Tennessee. Eighty percent after the adjustment is made. Only the so-called windfall tax, the unjust enrichment that those men received, to which this 80 percent applies.

Mr. HOUSTON. And 20 percent is ample to take care of all expenses—bookkeeping and all expenses incidental to the collection of the money?

Mr. COOPER of Tennessee. We think so. In other words, what we hoped to accomplish was simply this: The ideal we had before us was that no man in this country should be enriched by one penny by reason of collecting this tax and passing it on to his customers and failing to pay it to the Government and at the same time no man should be caused to suffer a loss by reason of the processing taxes.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. COOPER of Tennessee. It is provided in this bill for people throughout the country to receive refunds on the floor stocks that they had on hand at the date of the Supreme Court decision invalidating the Agricultural Adjustment Act.

When the processing tax originally was imposed and became effective they had, of course, to collect floor-stock taxes from the merchants throughout the country who had stocks of goods on hand. This amounted to about \$98,000,000. It was provided in the Agricultural Adjustment Act that when the processing tax was terminated a refund should be made for stocks then on hand. The tax was not terminated by proclamation of the Secretary of Agriculture as provided in that act because the decision of the Supreme Court intervened. The committee took the position it was only fair to refund these floor-stock taxes, for the merchants were entitled to them just the same as if the act had been terminated by proclamation of the Secretary of Agriculture rather than by the decision of the Court; and that is what we are trying to do here.

This entire bill is based upon what we conceive to be the principle of fairness and equality to everybody. It yields the revenue our great President says is necessary. All along we have heard the hue and cry, "Balance the Budget!" But now the opportunity is offered; those who raised the hue and cry are bending every energy and exerting every effort to defeat the very purpose we are trying to accomplish. [Applause.]

Mr. BACHARACH. Mr. Chairman, I yield 15 minutes to the gentleman from Vermont [Mr. PLUMLEY].

Mr. PLUMLEY. Mr. Chairman, if I were to follow the path of least resistance and were to suit my own convenience, I would refrain from taking any part in the discussion of this tax bill, for to me all matter and things pertaining to taxes are anathema. Six years' experience as commissioner of taxes of the State of Vermont in the enforcement and administration of general, corporate, income, and inheritance tax laws, and several years' experience on the other side of the fence, as tax attorney for corporate interests, is my excuse for whatever I may have to say with reference to this bill. I do not intend to take very much

time, inasmuch as obviously there is nothing to be gained thereby, nor in prolonging the agony preceding the birth of this brain child, ill-begotten, under circumstances which certainly reflect no credit on its parents.

The long-awaited New Deal tax bill has arrived! It is 248 pages long, and, as I see it, covers more complexities, intricacies, and involved situations with respect to taxation than any other measure ever introduced in the history of Federal taxation. Sixteen hours has been allotted for discussion of this measure on this floor. I venture to assert that there are many practical-minded tax administrators who have handled the business of revenue collecting for many of the several States in this Union who would agree with me that three times that number of hours would not be sufficient in which to point out the fallacies involved in, and the impractical situations which will arise under, this proposed law, which it is hoped and expected will be passed at the end of this week, or certainly by the end of next.

This bill might be called "An act to discourage small business, to encourage monopoly, and to prevent competition."

It is aimed not at the large corporation which has accumulated an adequate surplus but at the small one which wishes to save that it may expand; not at the man who has reached the high places, but at the man who is battling his way up.

The business of this country is done by corporations. Half a million of them filed returns for 1933 and only 109,000 reported net income. And of those more than 90,000 made less than \$10,000 net income in the year.

This is a country of corporations, but it is not a country of big corporations. Rather it is a country of small corporations eager to grow, to give more work to more men and women, pay better dividends, to build new plants. And it is at the owners of these corporations, ambitious men, thrifty men, that this bill is aimed.

But I heard someone say, "This bill is not aimed at little business; it is aimed at the big fellow, the corporation that has a surplus of \$50,000,000 or \$100,000,000. That is too much; he ought to be made to disgorge."

Experience, Mr. Chairman, has conclusively and undeniably demonstrated one thing: That is, that people will avoid or escape, whenever it is within their power to do so, the payment of any tax, be it reasonable or unreasonable, justified or unjustified, and that the severe penalty, the real burden, will fall upon those who should but cannot escape.

I tell you that if the truth were known and told there are, according to the figures I have seen—and they should be and are reliable and authoritative—approximately 300 corporations out of the 600 in the class that earned a million dollars and more in 1934, which 300 under this bill will pay not more than 50 percent as much taxes as in 1934.

Then, again, from 140 to 170 of the million-dollar profit-earning corporations which are paying taxes under the existing law will escape the necessity of paying taxes under the proposed law by distributing all their earnings, and consequently paying no taxes.

These figures are based on reports made to the United States Treasury by the corporations themselves and will have to be substantiated by the Treasury from its record, for they are correct.

I say to you that this is a punitive measure which at excessively high rates undertakes allegedly to tax the surplus earnings of corporations, yet designedly is not in reality an attempt to tax but to prevent the accumulation of surpluses. It is a threat and an effort to compel the distribution in dividends of all the earnings accumulated just as fast as the earnings are made. So far as those large corporations that are reached by it are concerned this law would be disastrous; the small struggling corporation is strangled in its infancy; the growing and thrifty young business is anesthetized; the healthy and prosperous industry seeking to expand and to develop is put to death by the lethal weapon concealed in this plan for its economic murder.

I reassert that it is at the class of small corporations ambitious to grow and thrifty enough to save in order that more work may be given to more men and that their plants may be expanded, and that a surplus may be accumulated, in order

that dividends may be paid, that this vicious measure is aimed.

The truth is that this bill is not aimed at the existing surpluses at all. It will not touch the fifty millions and the hundred millions. Those companies will continue to hold their surpluses. It is the small company that wants to build up that will be the victim.

Here is a case in point. An editor in a small community has had three or four pretty hard years. He has made enough to keep his family going, but his plant has deteriorated. He needs a new linotype. He has got to consider rebuilding his press. He figures that if he could spend a few thousand dollars he could get some extra commercial business as well as turning out a better-looking paper.

His business improves, but he continues to content himself with \$50 a week. At the end of a year he finds he has a net income of \$10,000. He figures to set aside as surplus what is left after taxes are paid and put it into bettering his plant. He can do better by paying cash and he is shopping around for new equipment. Then he comes to look into his little corporation's taxes under this proposed bill and he discovers that he cannot do what he wants to. At the proposed corporate tax rates he can only put into reserve \$7,030 and must pay a tax of \$2,970 as against a corporate income tax of about \$1,500.

Here is a business eager to get ahead, to build up an industry of which its owner could be proud, to make a better newspaper for his community. He is willing to deny himself to accomplish those ends. And what happens? His Government proposes to tax him more if he wants to save and get ahead than if he proposes to distribute and spend all his earnings. And his desire to save is not a desire to hoard. He would put back the money into industry where it would give further employment.

The Treasury has an answer to this objection to the proposed tax. It proposes that the company declare a dividend and that the stockholders with those funds purchase new stock thus bringing the money back into the company. But what a complicated method and one that seems to imply that the stockholders must all think alike.

Let us take another actual case to show how this measure would hit the progressive, young business. Three young men own all the stock in a small engineering company. Two are skilled engineers; the third has contributed a modest capital. The two are quite content to lead a furnished-room and lunch-counter life for a while if they can feel that they are going ahead. And they are. Their little business will make, they think, \$15,000 net this year and they would like to put it all above the corporation income tax back into the business, but can they under this proposed law? Not a bit of it. They would have to pay \$6,375 in order to save \$8,625 if they paid no dividends.

Suppose they followed the Government suggestion to pay it all out in dividends and sell themselves more stock. But suppose the one who contributed capital will not agree? And what about the complicated problems of registering a new issue? What will these young and ambitious men do? One answer is surrender their corporate charter and start anew as a partnership. But the man who put in the capital may say: "No; I'm not going to assume the liability involved. I'm willing to risk what I invested but no more." Yet we may see a great shifting of small corporations to a partnership basis.

One more instance and I take this from the statement before the Ways and Means Committee of Royal Little, vice president of the Franklin Rayon Co., of Providence. He started in business with the corporate structure of a defunct company with no capital but with the idea that he was going into the business of processing rayon yarn. He got \$10,000 from a bank because a friend endorsed the corporation's note and with one room and four employees the business began. First year sales were \$75,000 and a profit resulted. Did the stockholders get it? Not a cent. That

wicked thing called a surplus went for more machinery. By 1928 the company was doing a business of a million and employing 100 persons. Still the stockholders had no dividend. That year they merged with a competitor and wanted some outside capital. This was in a year when the banks were supposed to be lending money to anyone who wanted it, but no bank would touch their proposition. To quote Mr. Little:

The only intelligent excuse \* \* \* came from one house who said, "Your merger looks like two drunks trying to help each other home."

Mr. Little raised the money, a good part of it by his personal note to a bank. The company has steadily grown until in 1935 it had sales of \$5,000,000 and employed 500 persons. Rayon is a new industry in which machinery and methods are constantly improving and always the company has been ready to meet conditions largely from its earnings.

I cannot do better than quote two paragraphs from Mr. Little:

Under the new tax proposals apparently everything which we have done in the past has been wrong. Should we have been prevented by tax legislation such as this from building up our business? I assure you that neither I nor anyone else could duplicate in the future what we have done in the past if the penalty on undistributed net earnings now proposed is enacted into law. \* \* \* I ask you gentlemen in all fairness to study the facts in our case, which is typical of many others, and tell us whether you honestly feel that I am an enemy of society for what I have done.

I have said that this tax bill is aimed at small business. One more quotation from Mr. Little:

Selfishly looking at our own point of view, the Franklin Rayon Corporation would not oppose this tax because I know that no one else could build up a competitive enterprise on as favorable a basis as I have done it, if this tax law goes through.

Not only is this tax bill aimed at small business; it is aimed at one of the fundamentals on which the United States has been built, the encouragement of competition for the prevention of monopoly.

Old, well-established organization, well-entrenched financially, will find themselves in a far better economic position as compared with less well financially entrenched existing companies, or with those new companies which seek to start in business. As Charles J. Bullock said in the Atlanta convention of the National Tax Association in 1917, which I attended in my capacity as tax commissioner for the State of Vermont:

\* \* \* if you want a tax that will tend to entrench in its dominating position a monopolistic or quasi-monopolistic large industry, you cannot devise a better tax.

This is the status of the measure that is now before us, and will be the result of its enactment, if it is enacted in its present form.

We do not prevent monopoly so much by passing laws as we do by permitting, even encouraging, small business to grow bigger, to try out new ideas.

We see a great industry with branches spread throughout the country, and we forget that it began in a cross-roads blacksmith shop where a man in a leather apron beat out an iron plow. We see a great department store covering a city block, and we forget that its start was a pack which a peddler carried from door to door. And, more than all, we forget that what has happened may and will happen again unless by such legislation as this, business is made static. The great merchant is not afraid of his established competitor whose ways are his ways, who can be met in a field every foot of which they both know; he is afraid of the little fellow who has just started a business whose capital is 10 percent money and 90 percent ideas.

Westinghouse and General Electric may find themselves less concerned with the competition one with the other than with a new industry provided this bill does not choke him in his childhood.

We have heard much talk of the power of entrenched wealth. What is this bill except to still further entrench, to fortify, wealth. A great company with fifty million surplus,

unaffected by this tax, has little to fear from an invader deprived of his right to husband his resources.

We profess to fear the control of this country by big business, yet we propose a measure to keep little business little.

We debate measures to prevent price fixing, yet we plan to pass a bill which will make it increasingly possible to maintain arbitrary prices. The enemy of unreasonable prices is competition, the very competition that this bill is planned to kill. There is no better friend of labor than capital flowing into new enterprises and expansion of old ones.

I represent a constituency that is and through the years has been fortunate in having many small industrial enterprises located therein—small communities have been built around the one or two small industries in these little settlements, and the people who live there are dependent upon the little industries for their well-being. It is their interest that I am endeavoring to represent, when I rise to point out the added difficulties with which they will be confronted under this tax program that has been proposed. It is they on whom the brunt of taxation falls; it is their money that supports the Government and that is being spent by the Government in the course of its ordinary and so-called extraordinary expenditures. It is their resources that must be husbanded, for they and their counterparts throughout the country constitute the backbone, the lifeblood of our Nation.

I cannot help alluding to the fact that those charged with the responsibility of drafting and the income of this measure have not presented a fiscal program, nor supported one, which even indicates a desire now or in any way indicates a determined purpose on their part to balance the Budget. Get more money in order that more may be spent is the actuating motive. No word or thought is heard or apparent with respect to the reduction of expenditures in national spending with these tax proposals. If such a situation obtained, one might approach consideration of this bill in an entirely different state of mind. But, Mr. Chairman, we are confronted with the fact that no tax plan can be conceived or evolved or contrived by human beings which will provide or even begin to furnish or supply the necessary revenue to meet and to cover the existing and constantly increasing governmental expenditures. When you are spending two dollars for every one you earn, you cannot catch up with that program by choking to death the goose that lays the golden egg—and I fear I say "goose" advisedly.

Mr. Chairman, committees and theorists may write tax laws until doomsday which theoretically will produce the desired result. It is a pretty picture which figures make. They look good on paper. But let me tell you that the man who has to enforce and administer these dreams finds them most impractical, unenforceable, and inadequate and absolutely impossible of enforcement or administration by reason of the human factor and the consequent obstacles, which factor and which obstacles the theorists do not see and the practical administrator and enforcer of the law cannot overcome. This proposed tax bill is exactly that kind of a dream—impractical, unenforceable, and unworkable. I fear that it is going to be enacted into law, and in substantially the form in which we are now considering it; but I wish to say to you—and I am not alibiing or qualifying—I wish to say that the bill will not produce the revenue it seeks to cover into the Treasury, and that, moreover, because of its complexity and intricacies and its nonunderstandable and nonconstrued provisions, it will add confusion worse confounded to an already complex and nonunderstood tax situation, and will further retard recovery, increase unemployment, and contribute to a continuation of that uncertainty and chaotic condition with which business is confronted; initiative strangled; confidence lacking—for which situation those now in charge of the fiscal fallacies of this Government are responsible and must answer.

Those who are operating under the present Federal tax law tell me that the regulations with which they are now

surrounded are so complex as to lead nowhere and to arrive at the same place. The statute itself is not susceptible of reasonable interpretation, is beyond comprehension, and is always ambiguous. There is no certainty whatever. Nobody knows what it is all about. Tax liabilities are unascertainable, and no one can compute them, for there is no finality. Regulations are amended, rulings are reversed, retroactive provisions adopted, litigation delayed and prolonged, all at the expense and confusion of the taxpayer. I doubt if there is anybody who can tell me how to compute taxable net income under the provisions of this proposed law.

If it would accomplish a major tax reform—and at this point I wish to say that I recognize that such a reform is sadly needed and that there do exist inequalities in the tax system that should be corrected—if it would accomplish a major tax reform, one that would iron out the inequalities, one that would stop the leaks that exist, one that could be administered properly due to its fairness and simplicity, it should have our wholehearted support. This bill is so remotely removed from any semblance of simplicity, however, that it is and has been labeled "the most complicated piece of legislation in the last 50 years", and a Washington service is authority for the statement that the theory back of the measure is now being discussed algebraically. I have alluded to the fact that the task of administering the tax will be immeasurably enlarged by the new method. It seems to me that this is only too evident on its face to need further emphasis to be there placed.

Some of the practical questions which arise were suggested to the committee during the hearings.

First. Is a dividend taxable if paid in scrip, in an enforceable promise to pay, or in bonds?

Second. Is a dividend taxable if paid out of paid-in surplus, out of a depreciation or depletion reserve in excess of cost, or which is subsequently adjusted downward?

Third. Is a dividend paid when the check is mailed, or must it be received by the stockholder?

Fourth. Is the dividend "taxable" if paid to a stockholder exempt from Federal tax?

Fifth. What is a bank or a trust company and when is it "bona fide operated"?

Sixth. Must the taxpayer compute "undistributed net income" by algebraic formulas, using two unknowns?

Seventh. How much delay will be involved in valuing property distributed as a dividend in kind, and what rules of valuation will be applied?

Eighth. What is the law with respect to the propriety of a dividend, in the case of a separate corporation and in the case of a consolidated group of corporations?

Ninth. What are the liabilities of directors whose corporations incur the terrific penalties, or, to avoid them, pay out in dividends cash needed in the business?

Tenth. What contracts are to be understood to be definite prohibitions upon dividend payments?

These are only a few of the innumerable practical problems which confront the taxpayer, and as the years go by many more will arise to trouble his dreams.

Why, Mr. Chairman, this House ought to have 30 days in which carefully to consider this bill and its provisions, many of which I make bold to say are neither understood nor comprehended, nor the effects foreseen by the members of the committee who have reported the bill. The graduated tax on corporate net incomes, which is designed to force out company earnings to stockholders and so increase income tax yield to the Treasury, to which I have referred is the major feature of this bill. It imposes an unbearable tax burden upon undistributed net income, for net income has to be undistributed unless it is paid out as a taxable dividend within the time limit as provided in the act.

As a practical proposition no one in the Revenue Department or Treasury Department or anywhere else can compute conclusively the taxable net income of any corporation of any size before the expiration of 2½ months from

the end of the corporation's taxable year. The trouble with that is, from a taxable standard, that they will not have the tax returns on which to base their computations, for they will not be filed until after those 2½ months, and after they are filed the litigation and the contest between the taxpayer and the Treasury and the Revenue Department may go on for years over the question as to what constitutes taxable net income. This is the practical problem. And if taxation is anything it is practical when it comes to the matter of enforcing or administering the law.

Mr. Chairman, if the Treasurer or the Commissioner of Internal Revenue cannot compute taxable net income after years of consideration, and many of the cases are decided against the Commissioner, it is farcical, laughable, if it were not so serious, to suggest that the corporation itself could be expected to compute its net income within 2½ months. But that is not the end of it. Not only must a corporation determine its earnings and its profits, compute and declare and ascertain its net income and its adjusted net income, and all within the 2½ months provided by this act, but it must declare and pay taxable dividends. Well, in short, this is impossible, and the provisions of the act attempt to compel the impossible.

This bill proposes a revenue increase through temporary retention of the capital stock and excess-profits taxes with new levies on foreign corporations and alien stockholders. It sets up a "windfall" tax of 80 percent to try to get back over a hundred million dollars of the processing taxes impounded. It would restrict the evasion of new taxes by corporations using incorporate dividends. It provides for a 15-percent flat tax on banks and insurance companies; establishes at 22½ percent the rate of the flat tax on corporation earnings used to pay debts, and at 15 percent the rate on foreign corporations in receivership in the United States, and repeals the excess-profits tax after the present taxable year.

These are only a few of the things it undertakes to do, many of which it most certainly will not accomplish. However, there is one thing of which I am absolutely sure and certain, and I am not the son of a prophet, but experience is the best teacher I know. This bill will seriously impair the financial strength of corporations, depreciate their value of bonds and notes and their evidence of indebtedness, increase inequities and impose discriminatory taxes, increase complexities and uncertainties in the computation of tax liabilities, subject corporations to severe penalties by reason of circumstances beyond their control; result in duplicate and multiple taxation of the same income, and, in short, have a substantially adverse effect on the economic and business conditions of the country.

There is no pretense made that the program prescribed even undertakes to balance the regular Budget. No practical-minded man can figure out how it will produce anything like the estimated revenue. Moreover, this measure undertakes to overturn the whole present structure of corporate taxation. And in a few minutes, figuratively speaking, undertakes to remold and remake a system which it has taken years to develop.

This can be done in the committee room and on paper and in the Treasury, but when the day of reckoning comes the effectual obstacles involved in enforcement and administration of a revenue law present problems which are insurmountable, cannot be overcome, and then the brain child of the theorists might as well be dead, for it will never grow up, and it will horribly fail to measure up to the standard set for it by its fond parents.

Time does not permit me to discuss this bill by item or section or subject. I am, however, most concerned with its administration, by reason of my own experience and difficulties encountered in my attempts to put in action the ideas put on paper by theorists. I am going to say to you without knowing, that what happens will justify my statement and that is this: The administrative difficulties which are involved in this bill are such in themselves and sufficient in themselves to wreck the measure, however good it otherwise

might be, and because it is unenforceable, unworkable, and impractical, if for no other reason—and there are many reasons—it is unsound, will be ineffective, might as well not be passed, and therefore should not be.

Its purpose and intent is to force distribution of corporate surpluses and in this it will fail. It seeks to produce a given amount of revenue and any schoolboy can ascertain the inadequacy of the plan. It is easy to be captious and I long ago learned it was not smart to be destructively critical. So I say seriously that from my knowledge of State and Federal taxation this tax bill from the standpoint of intricacy and complexity has not now and never had a rival. The obvious mazes through which the financial and tax experts will lead the businessman, who will be compelled to seek their aid, will lead the businessman to the verge of bankruptcy to keep him from which, and with the aid of whom, even then the road will be a hard one.

The harder a law is to construe and the more difficult it is to interpret, the more opportunity there is afforded for evasion. Tax legislation should be reduced to the lowest possible denominator and be written in the simplest possible terms. It has been well said: That our Federal tax laws have become increasingly complex, and the climax of legislative fullness appears to have been reached in this latest legislative tax program.

Now, let us be honest with the people. Nobody knows how much this bill will produce, but everybody thinks it will be at least \$334,000,000 shy of meeting the President's demands. A million dollars used to be a lot of money, but we talk and speak another language in the trance that is on us today. A million dollars is a lot of money back where I come from, and its reckless spending I propose to object to so long as I can stand here and talk. Why not stop spending recklessly for a while instead of crucifying the body politic in an attempt to extract one more agonized drop of revenue blood to be spent for the unwise and temporary relief of a populace drunk with injections of panaceas, which are but a delusion and a snare, and contribute to a recovery as unreal and temporary as an opium eater's dream? It is time to wake up.

This bill, in its last analysis, is "a direct threat to the security of American business, employment, and investments." Somewhere I read a most elucidating statement to the effect that never before had any President felt it necessary to promise a breathing spell to business. Think that over! A breathing spell to business promised by the Chief Executive! He who would grant the breathing spell assumes thereby the responsibility of choking business to death. This is incontrovertible and the horrible truth. But the breathing spell is over before it was ever begun and we are considering the most complicated, confusing, and extraordinary tax bill "that ever bedeviled a Congress eager to call it a day and go back home." As I have said before so I see someone else thinks, namely, that—

As to the chief purpose of this piece of patchwork legislation there can be no dispute. That is perfectly plain. The difficulty will come in administering it. No Representative, even if he has waded through the 236 pages of printed text, boasts that he knows how it can be made to work. Nor can anybody be found who will do more than guess at the revenue it may produce.

But from Speaker to page boy everybody is aware that this alleged tax bill is just another New Deal bludgeon for business. It strikingly illustrates the dictum that the power to tax is the power to destroy. The N. R. A. fixed hours and wages, but if a corporation, thus hedged and hampered, did manage somehow to wangle a net income, nobody in Washington stood ready to dictate how it should be distributed.

Even before the new dealers felt the lash of the courts and while they were looking upon the Constitution as a sort of successor to the one-horse shay, the directors of corporations were allowed to use their own judgment in the matter of dividend payments and additions to reserves kept for emergencies or purposes of expansion. Considering the lengths to which the New Deal went in the direction of regimenting business, large and small, it is odd that they should have kept hands off the corporations' fiscal policies for so long.

There are plenty of corporations that will suffer no financial harm, at least immediately, from this scheme to tax their total net incomes according to the amount they divert to reserves instead of to dividends. There are many stockholders who may

believe they will profit from the forced payment of dividends which might more prudently, in numerous cases, be left to strengthen their companies' financial structure.

But the outstanding objection to this "dangerous measure", as a leading Democratic newspaper terms it, is the overriding of corporation managements by a hard-and-fast rule backed up by a punitive tax. Some will try to pay the tax and maintain what they consider necessary reserves "the life insurance of corporations." Others, unable to carry the burden, will dissipate their surpluses in dividends. Mr. Roosevelt has suggested that they can then borrow money for new reserves. But how much could they have borrowed in the depths of the depression? The New Deal thus far has found wholesale borrowing a sovereign remedy for financial folly and imprudence. But its day of reckoning will come and it would come much sooner for a private business enterprise that tried to follow its example.

In defending this bill in the debate which starts today, let the new dealers at least be honest about it and admit that the purpose is to fasten the Government's grip on the corporations so that it can shake the life out of them if they refuse to do its bidding. There are measures in Congress today for putting all industry under Government ownership. There are proposals for constitutional amendments to make this legal.

It can't happen here—perhaps. But if this bill gets through House and Senate and to the White House, where it is assured of approval, the next step of the New Deal may take it even further along the road to state socialism. If Government control of corporate reserves, why not control of individual savings?

No, Mr. Chairman, this bill does not and will not do for the country that and those things which my good and conscientious friends who are its proponents may believe or hope. Their hopes will not end in fruition. On the contrary, in my judgment, this is one of the most devastating, destructive, and impotent tax measures ever imposed by Congress upon a long-suffering but not unsuspecting public.

Whether we like it or not it is true; it is susceptible of demonstration that the deficit for the next year will exceed \$5,000,000,000, the largest deficit ever incurred by any government, our own or foreign, except in time of war.

Our gross public debt is approximately \$50,000,000,000, which equals the present national income. Will the Budget ever be balanced? There is no promise nor indication either in the situation itself or in the Executive Budget message. We are faced with and by greater disaster in Government finances instead of an approach to a balanced Budget.

Seven years of budgetary deficits. History and experience show and teach that every nation which has permitted deficits in any way comparable for such periods has found the greatest difficulty if not the impossibility of escaping the devastating consequences of uncontroverted inflation.

I say to you that attempts to overcome the disorder through increasing the tax burdens rather than by lowering the excessive and reckless expenditures lead us only farther into that miasmatic swamp of national bankruptcy from which eventually there is no escape.

It is not a pretty picture, but now is the time to take a look at it and to stop and to look and to listen. [Applause.]

Mr. VINSON of Kentucky. Mr. Chairman, I yield to the gentleman from Mississippi [Mr. DOXEY] such time as he may desire.

Mr. DOXEY. Mr. Chairman, the distinguished gentleman from North Carolina [Mr. DOUGHTON] chairman of the great House Ways and Means Committee, has always been most gracious to me. I thank him and the gentleman from Kentucky [Mr. VINSON] very much indeed for the time extended to me.

Several days have already been consumed in debating this tax bill on the floor of this House. I realize that there is very little that I could add to what has already been said. Friends and foes alike have expressed their views and argued at length this measure.

Of course, any tax bill is highly controversial and always unpopular. Taxation from any standpoint is not pleasant. However, we must have money to carry on this Government and there is no way to get it except for Congress to enact tax laws.

Many of us here would like to see some changes and modifications made in the bill before us. There are some provisions in the bill that we should like to see omitted, some changes that we should like to see made, and some items included that have been left out. However, as we view this

broad, intricate, and complicated tax proposition as a whole, I am going to follow the recommendations of our President and the judgment of this great Ways and Means Committee. They have spent weeks and weeks working on this tax measure, while most of us were busy with the work of our own committees. We were not privileged nor did we have the time to attend the hearings and committee discussions during the framing of this bill. The members of the Ways and Means Committee were charged with that responsibility and I know they have discharged those duties well. I shall vote for this bill, believing that it is the best bill it was possible, under the circumstances, for the committee to present to the membership of this House for our consideration. My philosophy of taxation is to tax those who are best able to pay. It is necessary that we all be taxed, for we are all benefited, but those in the higher brackets with the largest incomes should carry the heaviest load in accordance with their ability to pay. It is some difficult problem to equalize taxes.

Mississippi, my home State, pays into the Federal Treasury comparatively a small amount of taxes for the reason that the incomes subject to Federal taxation are comparatively small. About 4,076 individuals in Mississippi out of a total population of approximately 2,009,821 paid Federal income taxes in 1935, which was only about .07 percent of the total United States internal revenue receipts for 1935. The tax burden in Mississippi is not caused by Federal taxation. The Federal Government obtains its revenue from levying taxes on incomes, custom receipts, excise taxes, tariffs, and such like. There is no Government ad valorem tax. That is a form of taxation that is reserved strictly for the States. Most of Mississippi's tax levies are State, county, and city taxes. Comparatively a small percentage of taxes paid by Mississippians goes to the Federal Government.

When we consider the direct benefits the State of Mississippi has received from Government funds being expended in our State, we realize that as a State, Mississippi has received many, many times more dollars from the Government than has been paid into the Federal Treasury by the taxpayers of Mississippi.

Mississippi, under the present Democratic administration, has received greater recognition than under any former administration in the history of this Government. The record speaks for itself.

During this discussion it will be necessary for me to deal with certain technical facts and a great mass of figures as shown by the record. Therefore, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentlemen from Mississippi?

There was no objection.

Mr. DOXEY. My friends and colleagues, in this connection, permit me to briefly outline some of the substantial benefits received by the Second Congressional District of Mississippi, which I have the honor and privilege to represent in Congress, as a result of our efforts here.

Since I have been a Member of Congress, my congressional district has benefited more from governmental activities than it ever had during the entire previous history of our State. More Federal funds have been spent in the Second Congressional District of Mississippi during my service here in Congress than was spent in it from the time it was established as a congressional district up until the beginning of the Roosevelt administration, March 4, 1933.

What does the record show as to some of the worthwhile and substantial benefits flowing from the Federal Government into the Second Congressional District of Mississippi during my service as Congressman from this district?

# I

## LOANING AGENCIES

Consider the efforts of the Government in refinancing the drainage and levee districts in the Second Congressional District of Mississippi.

Briefly, here are the facts and figures in this regard:

*Drainage loans made by the Drainage, Levee, and Irrigation Division, Reconstruction Finance Corporation, as of Apr. 3, 1936*

Name of county and district	Outstanding indebtedness	Amount authorized on approved applications	Amount disbursed to date
Benton County.....	(1)	(1)	(1)
De Soto County:			
Lake Cormorant drainage district.....	\$626,400.00	\$282,500.00	\$244,986.64
Pigeon Roost Creek drainage district.....	92,200.00	(2)	(2)
Red Banks Creek drainage district.....	39,500.00	26,000.00	(2)
Lafayette County:			
Yoknapawpha drainage district no. 2.....	19,452.00	15,000.00	(2)
Coleman drainage district.....	15,838.00	(2)	(2)
Greer drainage district.....	104,760.00	21,000.00	(2)
Clear Creek drainage district.....	16,500.00	12,500.00	(2)
Marshall County:			
Greer drainage district.....	104,760.00	21,000.00	(2)
Red Banks Creek drainage district.....	39,500.00	26,000.00	(2)
Pigeon Roost Creek drainage district.....	92,200.00	(2)	(2)
Panola County:			
Indian Creek drainage district no. 1.....	287,837.09	137,500.00	(2)
Panola-Quitman drainage district.....	1,940,585.66	227,500.00	225,152.30
Long Creek drainage district no. 3.....	14,720.00	11,000.00	10,500.00
Yocoma drainage district no. 2.....	163,997.00	76,000.00	(2)
Tallahatchie County:			
Newson Lake drainage district.....	306,210.00	45,000.00	42,385.23
Panola-Quitman drainage district.....	1,940,585.66	227,500.00	225,152.30
Matthews Bayou drainage district.....	154,950.00	81,000.00	77,500.00
Blue Lake drainage district.....	87,000.00	66,000.00	(2)
Upper Quiver River drainage district.....	336,000.00	252,500.00	(2)
Yocoma drainage district no. 2.....	169,997.00	76,000.00	(2)
Patterson Bayou drainage district.....	207,540.00	85,500.00	81,824.59
Locopolis drainage district.....	124,000.00	(2)	(2)
Ascalmore drainage district no. 1.....	74,680.00	(2)	(2)
Tate County:			
Strayhorn Creek drainage district.....	41,713.24	19,000.00	(2)
Arkabutla Creek drainage district.....	38,719.37	23,500.00	(2)
Pigeon Roost Creek drainage district.....	92,200.00	(2)	(2)
Tippah County.....	(1)	(1)	(1)
Union County.....	(1)	(1)	(1)
Yalobusha County: Yocoma drainage district no. 2.....	163,997.00	76,000.00	(2)

<sup>1</sup> Applications received.  
<sup>2</sup> Declined.

<sup>3</sup> Not closed.  
<sup>4</sup> Loan rescinded.

In fact, up to April 3, 1936, the R. F. C. had received 76 formal applications from drainage and levee districts in Mississippi. The indebtedness covered by these applications, as submitted, aggregates \$11,798,453.46. The R. F. C. has authorized 64 loans to such districts in Mississippi to refinance \$11,183,515.86. Of these, 28 have been closed and \$2,797,313.65 disbursed to date.

You can see from these figures that in the refinancing of these various drainage districts by the Federal Government the taxpayers were not only given a breathing spell, so to speak, by being given loans over a long period of time at a low rate of interest, but the original amount of indebtedness of each district is being reduced by anywhere from 30 to 70 percent, thereby causing a great saving to the taxpayers on the amount of indebtedness that is now outstanding against the district.

This was made possible as the result of a law enacted in the Congress and known as the Emergency Farm Mortgage Act of 1933.

This law was the work of the House Committee on Agriculture, of which I am the second ranking member out of a membership of 26 Representatives in Congress who constitute this exclusive committee. My committee wrote the bill, reported it, and steered it to passage through the House. This was in truth and in fact a farm-relief measure through tax relief. During the debate of this bill in Congress, I made a speech on the floor of the House explaining the measure and urging its passage. It passed the House and was passed by the Senate in modified form. I was selected as a House conferee on the bill and worked with the Senate conferees in shaping and fashioning it for final passage in both the House and the Senate.

This was the first time within the history of our country that any legislation was ever enacted by Congress to help refinance distressed and tax-burdened drainage and levee districts with funds furnished by the Federal Government.

At the present time the Subcommittee on Agriculture, of which I am chairman, is considering and endeavoring to finally shape and report to Congress other legislation of a more permanent nature with a view to the Government

further helping to carry the load placed on the farms and property located and being situated in these various drainage, levee, irrigation, and reclamation districts organized under the laws of the respective States.

The Second Congressional District of Mississippi has received its proportionate share of these long-term Federal loans at a low rate of interest.

Under date of February 14, 1935, I introduced in Congress H. R. 5697, providing for similar loans to distressed and tax-burdened public and special school districts.

I also introduced another bill—H. R. 7523—providing that the rate of interest on money loaned to the drainage and levee districts shall not exceed 3 percent.

During recent years Congress has provided other governmental loaning agencies designed to help the taxpayer secure long-term loans at a low rate of interest on easy payments, such as the Federal land bank, the Home Owners' Loan Corporation, the Federal Housing Administration, the Reconstruction Finance Corporation, the Commodity Credit Corporation, and so forth.

The total number of home loans closed in Mississippi as of March 26, 1936, amounts to 8,744, totaling \$16,375,742. The loans closed in the Second Congressional District of Mississippi are as follows:

Counties in Mississippi	Loans closed	Amount	Pending applications
Benton.....	8	\$9,716	None
De Soto.....	12	16,873	2
Lafayette.....	44	85,057	3
Marshall.....	36	65,703	3
Panola.....	36	53,602	4
Tallahatchie.....	87	162,110	9
Tate.....	27	42,298	3
Tippah.....	26	37,580	1
Union.....	25	82,181	2
Yalobusha.....	52	64,982	None
Total.....	353	620,102	27

*The volume of Federal Housing Administration business in the Second Congressional District of Mississippi*

County	Title I. Modernization notes insured through Feb. 29, 1936		Title II. Mortgages accepted for insurance through Jan. 31, 1936	
	Number	Amount	Number	Amount
Benton.....	3	\$910		
De Soto.....	44	14,067		
Lafayette.....	21	6,281	1	\$2,800
Marshall.....	32	10,341	2	8,000
Panola.....	33	11,220		
Tallahatchie.....	46	16,548	2	3,400
Tate.....	46	18,713		
Tippah.....	13	3,112		
Union.....	14	4,275	1	2,600
Yalobusha.....	64	19,282	14	23,150
Total (10 counties).....	316	104,749	20	39,950
Total for State.....	4,435	1,609,219	2,620	2,620,742

These are governmental agencies loaning Government money on real estate and other securities and these measures were handled by the Banking and Currency Committee. My Committee on Agriculture handled the legislation pertaining to personal property security and loans limited to farmers and farm lands in refinancing farm mortgages such as the Farm Credit Administration's land banks, cooperative banks, associations, corporations, and seed-loan offices, which have so greatly benefited our section of the country and helped the farmers who were not financially able to help themselves.

All legislation pertaining to agriculture and farm rehabilitation and refinancing, including emergency crop, feed and seed loans, originated and is within the exclusive jurisdiction of my Committee on Agriculture in the House of Representatives. We have set up a separate and sound credit system for agriculture in an effort to care for the credit needs of the farmer.

## II

## AGRICULTURAL PLANS AND BENEFITS

Let us turn from the governmental loaning agencies which we have set up in an effort to refinance, rehabilitate, and help the taxpayers, home owners, business, and farming interests of this country and review the record as to the efforts of Congress to help agriculture and pay direct benefits to the farmers of our State and district, which is classed in the main as an agricultural State and district.

Not until May 12, 1933, when Congress enacted the A. A. A. was any legislation ever passed directly benefiting the farmers of this country. This is the first time the farmer and the producer of our crops was ever paid direct benefits by the Government. The farmers of my district never before received a Government check, unless they were soldiers or worked for the Government or sold something to the Government.

This law was the work of my Committee on Agriculture. It was designed to put agriculture on a parity with industry—to raise the price paid the farmer for the crops he raised—to make farming a paying and profitable business. We tried to do for the farmer by this law what the tariff laws had done for industry. We provided that direct payments and benefits would be placed in the farmer's hands and pockets out of funds taken from the Federal taxes laid on the processors who turned the raw materials in their factories and mills into the finished products. It worked.

Mississippi as a State paid in agricultural-adjustment taxes for the fiscal year 1935, \$619,172.96. Mississippi received in rental and benefit payments through December 31, 1935, to the individual farmers and producers, \$34,379,868.30. In other words, in Mississippi, by the operation of the Agricultural Adjustment Act, for every \$1 the processors of Mississippi paid into the Government Treasury the Government in turn paid to the individual farmer in Mississippi about \$35. The agricultural States received the benefits. The manufacturing States paid them.

Official statistics show that Maine paid in A. A. A. taxes during fiscal year of 1935, \$1,254,029.35; Maine received in rental and benefit payments under the A. A. A., \$6,065; Massachusetts paid in A. A. A. taxes during fiscal year of 1935, \$19,874,136.95; Massachusetts received in rental and benefit payments under A. A. A., \$1,267,126.21; New York paid in A. A. A. taxes during fiscal year of 1935, \$58,842,770.85; New York received in rental and benefit payments under A. A. A., \$569,601.44; Pennsylvania paid in A. A. A. taxes during fiscal year of 1935, \$18,600,912.60; Pennsylvania received in rental and benefit payments under A. A. A., \$3,282,107.11; Rhode Island paid in A. A. A. taxes during fiscal year of 1935, \$1,862,519.65; Rhode Island received in rental and benefit payments under A. A. A., \$6,319.49.

These are some of the manufacturing States. Now, compare what they paid and what they received with what some of our agricultural Southern States paid and received.

Official statistics show that Mississippi paid in A. A. A. taxes during fiscal year of 1935, \$619,172.96; Mississippi received in rental and benefit payments under A. A. A., \$34,379,868.30; Alabama paid in A. A. A. taxes during fiscal year of 1935, \$7,532,275.60; Alabama received in rental and benefit payments under A. A. A., \$29,938,661.70; Florida paid in A. A. A. taxes during fiscal year of 1935, \$932,546.52; Florida received in rental and benefit payments under A. A. A., \$2,852,837.16; Georgia paid in A. A. A. taxes during fiscal year of 1935, \$20,678,114.74; Georgia received in rental and benefit payments under A. A. A., \$30,947,145.52; Louisiana paid in A. A. A. taxes during fiscal year of 1935, \$6,598,308.74; Louisiana received in rental and benefit payments under A. A. A., \$29,549,383.54.

You can readily see why the big interests and the industrial States of this Union did everything they could to kill this law and wreck this program. To our sorrow and great loss, they succeeded when the Supreme Court, on January 6, 1936, in the Butler case, declared the Agricultural Adjustment Act unconstitutional. While the A. A. A. was in force, however, the following is the amount of money paid by the Govern-

ment in direct benefits to the farmers of the Second Congressional District of Mississippi, by counties:

*Rental and benefit payments through Feb. 29, 1936*

County	Cotton	Corn-Hogs	Total
Benton.....	\$167,863.22		\$167,863.22
De Soto.....	633,513.14		633,513.14
Lafayette.....	250,573.70	\$1,598.16	252,171.86
Marshall.....	469,539.05		469,539.05
Panola.....	590,558.88	58.20	590,617.08
Tallahatchie.....	948,244.82		948,244.82
Tate.....	388,755.62		388,755.62
Tippah.....	359,327.85	166.90	359,494.75
Union.....	348,101.64		348,101.64
Yalobusha.....	175,445.12	2,390.13	177,835.25
Mississippi.....	34,294,840.53	100,242.55	34,395,083.08

The farmers of the Second Congressional District of Mississippi also received the following benefits from the Federal Government under our farm-credit structure of the present Democratic administration:

*Number and amount of loans made in Mississippi May 1, 1933, through Feb. 29, 1936, Farm Credit Administration*

Institution	Number	Amount
Farm mortgage loans:		
Federal land banks.....	1,639	\$5,155,800
Land Bank Commissioner.....	11,151	9,966,400
Total.....	12,790	15,122,200
Short-term credit:		
Production credit associations.....	19,419	9,767,731
Emergency crop loans.....	49,972	2,707,771
Drought relief loans.....		
Regional agricultural credit corporations <sup>1</sup> .....	642	2,169,882
Federal intermediate credit banks (loans to and discounts for private financing institutions) <sup>2</sup> .....		8,351,898
Total.....		22,997,282
Grand total.....		33,119,482

<sup>1</sup> For the period from May 1, 1933, through Oct. 31, 1934, only. Subsequent State data unavailable.

<sup>2</sup> For the period from May 1, 1933, through Dec. 31, 1934, only. Subsequent State data unavailable.

*Number and amount of Federal land bank and Land Bank Commissioner loans closed, by counties, in Mississippi for the period May 1, 1933, through Dec. 31, 1935*

County	Federal land bank		Land Bank Commissioner		Total (bank and Commissioner)	
	Number	Amount	Number	Amount	Number	Amount
Benton.....	6	\$16,600	56	\$69,325	62	\$85,925
De Soto.....	39	148,200	90	138,950	129	287,150
Lafayette.....	23	71,100	164	140,550	187	211,650
Marshall.....	29	83,700	148	177,700	177	261,400
Panola.....	32	108,800	182	200,950	214	309,750
Tallahatchie.....	6	38,400	32	40,400	38	78,800
Tate.....	14	37,900	74	68,975	88	106,875
Tippah.....	17	35,600	156	136,600	173	172,200
Union.....	24	54,400	123	113,750	147	168,150
Yalobusha.....	28	53,500	160	136,975	188	190,475

## EMERGENCY LOANS

*Number and amount of crop and feed loans made Jan. 1, 1933, through Sept. 30, 1935, in counties comprising the Second Congressional District of Mississippi*

County	Number	Amount
Benton.....	800	\$52,746
De Soto.....	699	33,146
Lafayette.....	1,535	72,822
Marshall.....	2,528	145,281
Panola.....	1,231	92,855
Tallahatchie.....	1,382	117,940
Tate.....	831	67,856
Tippah.....	2,110	152,165
Union.....	1,680	121,550
Yalobusha.....	951	43,595
Total.....	13,747	899,956

Farm Credit Administration, Division of Finance and Research, April 3, 1936.

No drought-relief loans.

When the A. A. A. program was scrapped and knocked out by the Supreme Court the first of this year, did this Congress and this administration throw up their hands and quit and say, "We cannot do anything to help the farmers of this country, because the Supreme Court has thrown around us such restrictions and limitations that we cannot legislate in behalf of agriculture"? No! A thousand times no.

My Committee on Agriculture went to work as we had never worked before, and today there is on the Federal statute books a law as the result of our efforts, designed to help agriculture, stabilize the price the farmer gets for his products, and pay the individual farmer and producer of crops direct benefits out of the Federal Treasury and at the same time save and protect his lands. But we cannot tax the processor for this specific purpose and make the present agricultural program pay its way and be self-sustaining as was the A. A. A. That is one great drawback and serious limitation placed upon Congress by the recent decision of the Supreme Court. This law that I helped to write, spoke for, and worked for, is a substitute for the A. A. A. and is known as the soil-conservation plan and temporary farm program, 1936-37, and provides for a permanent State farm plan beginning 1938, the success of which remains yet to be determined. It is the best we can do for the present. If it is administered properly, wisely, and justly, as Congress intended it, this substitute A. A. A. will mean much to our district, State, and Nation. It will form the bedrock for a soil-rebuilding, conservation, and rehabilitation program that is so essential and vital to agriculture in general and to our district in particular.

### III

#### NATIONAL FORESTS

Long before I came to Congress I was interested in agriculture, reforestation, soil-erosion, soil-conservation, and flood-control problems. No work of this type had been undertaken by the Government in our section of the State except some flood protection along the Mississippi River.

I knew that, generally speaking, in our method of farming we were taking everything we could away from our lands and putting very little back in improvements on our lands. Such treatment of our lands would inevitably lead to wreck and ruin. That has been the universal history of every other country that pursued that policy. Only when the people realize that their lands are their greatest assets and should be so treated and used, can our prosperity be lasting and secure.

Our forests had been denuded, our timber ruthlessly cut and slaughtered. Our lands were washing away, and our floods each year were becoming more serious.

I knew it was a problem so big that only this Government could handle it with any degree of success, so I came to Congress with the determination to do my best to get the Federal Government interested in these vital problems. I felt I could better serve my Nation, State, and district as a member of the Committee on Agriculture than by being on any other committee in Congress. Mississippi had not had a member on this exclusive Committee on Agriculture for about 15 years. After serving my apprenticeship for several years on other committees of Congress, I was elevated by my colleagues to this great House Committee on Agriculture. I was happy, but we still had a Republican administration, and the Democrats had very little to do with shaping the Government's policy. However, I tried to prepare myself for the opportunity that I believed would soon present itself. The opportunity came. The Democrats first got control of the House in 1931. We elected Hon. J. N. (Jack) Garner, of Texas, on December 7, 1931, Speaker of the House while Mr. Hoover was still President and the Republicans were in control of the Government.

Speaker Garner on December 11, 1931, appointed me as the Democratic Member of the House on the National Forest Reservation Commission. This Commission is composed of three members of the President's Cabinet, the Secretary of War, the Secretary of Agriculture, the Secretary of the Interior; two United States Senators, one Republican, one Democrat; and two Congressmen, one Republican and one Democrat.

When I was first appointed to this Commission in December 1931 the Cabinet members were all Republicans; one of the Senators on the Commission was Republican, Senator KEYES, of New Hampshire, and the other Congressman on the Commission was Republican, Hon. Willis C. Hawley, of Oregon, who was coauthor of the Smoot-Hawley Tariff Act of June 17, 1930. Senator Harris, of Georgia, and I were the only two Democrats on this important National Forest Reservation Commission. Naturally we were then able to do very little for the South, where up to that time there were practically no national forests. They had all been established in the West, the Northwest, and the north-eastern part of the United States. No money scarcely for reforestation was up to that time being spent in the South.

Times changed. Mr. Franklin Delano Roosevelt was elected President; Mr. Jack Garner was elected Vice President; and the Democrats gained control and took over the reins of government on March 4, 1933. Our Speaker of the House, Hon. Jack Garner, having been elected Vice President of the United States, we the Democrats of the House elected the Honorable Henry Rainey, of Illinois, as Speaker of the House of Representatives. He reappointed me as the Democratic Congressman to the National Forest Reservation Commission on March 27, 1933, and his successor, Speaker JOE BYRNS, reappointed me to this Commission on January 23, 1934. In the meantime Senator Harris, of Georgia, died, and Senator GEORGE, of Georgia, was appointed to take his place on the Commission. The three Cabinet members were now Democrats instead of Republicans, so the tables were just reverse to what they were under the Republican administration. All members of the National Forest Reservation Commission under the Roosevelt administration are Democrats except two, a Republican Senator, Senator KEYES, of New Hampshire, and Congressman WOODRUFF, of Michigan. May I say in passing that both of these Republicans have cooperated with us in a wonderful fashion. All members of the Commission resolved to inaugurate a real reforestation program if we could get the money to put our plans into operation.

President Roosevelt was vitally interested in our work and plans. Congress cooperated, and we have obtained results. Since March 4, 1933, the achievements of the National Forest Reservation Commission, working in cooperation with the efficient Forest Service of our Government under the Department of Agriculture, has a record that is outstanding and will, more and more as time goes on, mean much to our people. No State in the Union has been dealt with more generously by our Commission than has Mississippi. Today Mississippi has seven national-forest units, and the following figures show the status of these seven national-forest units as of April 3, 1936.

#### FOREST LAND ACQUISITION UNDER WEEKS AND CLARKE-McNARY LAWS BY LAND EXCHANGE AND BY WITHDRAWAL FROM PUBLIC DOMAIN

Current land and financial status of established purchase units, State of Mississippi, as of Apr. 3, 1936

Unit	Gross area	Re-served public lands	Pur-chased or in course of purchase	Ave-rage cost per acre	Total amount expended or obli-gated to date	Additional area to be pur-chased	Approxi-mate cost to complete unit
	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>			<i>Acres</i>	
Holly Springs.....	530,520		99,173	\$3.80	\$376,424	326,967	\$1,867,843
Bienville.....	382,820		172,477	2.54	438,609	149,263	543,744
Chickasawhay.....	192,000	160	134,540	1.45	195,102	37,040	113,966
Leaf River.....	624,261	691	227,648	1.80	410,165	311,586	750,884
Biloxi.....	409,600	243	126,954	3.34	423,575	217,913	769,057
Homoehitto.....	373,550	292	190,087	3.80	722,623	132,221	529,524
Delta.....	323,840	196	13,344	55.00	733,920	241,760	502,860
Total.....	2,836,591	1,582	964,223	3.43	3,300,418	1,416,750	5,077,884

The above-named seven national forest units are known as the DeSoto National Forest of Mississippi.

The land purchased by the Government for these various forest units has been mostly cut-over, worn-out, and sub-marginal lands.

One of these national forest units established by my Commission in Mississippi, as you will see from the foregoing table, is located in the Second Congressional District and is known as the Holly Springs National Forest unit and embraces lands in Tippah, Union, Benton, Lafayette, and Marshall Counties.

In addition to the land-acquisition program, the Government is spending vast sums developing and improving the Holly Springs National Forest unit. From the beginning the Government has only wanted to purchase the land that the farmer could not use profitably. The Government's policy is to buy the worn-out lands, the cut-over lands, the submarginal lands, and the eroded lands, and convert these lands into profitable and valuable lands and forests by means of soil rehabilitation and reforestation. This is what the Government is trying to do in my district with the Holly Springs National Forest unit. Thousands of trees, best adaptable to our soil and climatic conditions, have been set out. Grasses have been planted, soil erosion has been checked, water and drainage-control projects have been constructed, protection methods have been employed, fire-prevention apparatus has been installed, lookout towers have been erected, telephone lines have been built, good roads have been made through the lands embracing the forest unit, and other improvements are in the making in an endeavor to develop the Holly Springs unit into a real national forest.

This all takes time, money, and effort on the part of the Government. We have no large tracts of cut-over lands in our section. The purchases must necessarily be limited to comparatively small acreage, which means a great deal of title and abstract work, for the strict regulations of the Government with reference to land titles complicate matters and make it difficult for the Government to make much progress in acquiring and paying for lands in our forest unit. Our Commission realizes that it is one of the hardest sections of the entire country in which to establish a national forest unit, but my contention is that no section of the country anywhere is in greater need of a Government forest than our district. The work and its value thus far are there to show for themselves. If and when, in days to come, the Government derives any revenue from this forest unit, by sale of timber, grazing, hunting, recreation, or otherwise, 25 percent of the gross returns to the Government is paid by the Government into the general county funds of the county in which the land is situated to be used and spent by the respective counties for school and road improvements within the county.

This present Democratic administration, under the leadership of a great President, is planning and working for the benefit of generations yet unborn.

#### IV

##### C. C. C. CAMPS

March 31, 1936, marks the third anniversary of the Civilian Conservation Corps camps. This was one of the first of the New Deal's projects and also one of the most beneficial, successful, and far-reaching. The planning and launching of this C. C. C. program was the brainchild of President Franklin D. Roosevelt; Congress cooperated. Various agencies of the Government took part in this undertaking. Naturally, most of the first camps to be established were to be located on Government-owned land. Some States, particularly the South, had very little Government-owned land. Mississippi at that time practically had no tracts of Government-owned lands within its borders.

The Government did at that time own a little land in the Homochitto National Forest, the first national-forest unit to be established in Mississippi. But ever since I had been a member of the National Forest Reservation Commission I had been talking, planning, urging, and working to establish a national-forest unit in my congressional district. The unit was in the making, but the actual boundaries had not been established because of lack of funds. The upper watershed of the Tallahatchie Basin in my district was a location that was being considered for this unit. So when the first C. C. C.

camps were located in Mississippi they were placed in or near the already established Homochitto National Forest unit in southwest Mississippi, and also within or somewhere near the contemplated national-forest unit that my Commission hoped to establish in north Mississippi within the upper watershed of the Tallahatchie Basin. That is the reason that the first C. C. C. camps to be located in Mississippi were, for the major part, in two areas—the Homochitto area and the upper Tallahatchie River Basin area, where we planned to establish a national-forest unit in my district, which our Commission did establish shortly thereafter. Just as soon as Government funds were made available and the details could be worked out the Holly Springs National Forest Unit was established by the National Forest Reservation Commission, of which I was a member.

My friends, whether it is generally known or not, that is the main reason why the Second Congressional District was originally selected for the location of most of Mississippi's first C. C. C. camps. The counties of Marshall, Benton, Tippah, Union, Lafayette, Pontotoc, Tate, and Panola were originally selected for establishment of the first C. C. C. camps in Mississippi. Those counties, or a portion of them, were in the upper watershed of the upper Tallahatchie River Basin, and the contemplated forest unit in our section was being considered to embrace a portion of the lands in these counties. It afterward developed in determining the exact boundary lines of the Holly Springs Forest Unit that no lands in the counties of Tate and Panola would be embraced in this forest unit, for the reason that those two counties were not strictly within the upper watershed of the Tallahatchie River Basin and were located a little too far down in the Tallahatchie Basin, although C. C. C. camps had already been located in those two counties—one at Tyro in Tate County and one near Batesville in Panola County. That is the reason we were never able to locate a C. C. C. camp in Tallahatchie County or in De Soto County. Tallahatchie County was too far down in the lower reaches of the Tallahatchie Basin, and De Soto County was not in the watershed of the Tallahatchie River at all. At that time only the upper watershed of the Tallahatchie Basin was considered in connection with the establishment of the proposed national-forest unit in our section of Mississippi.

The C. C. C. program later developed so that, regardless of whether or not the Government owned any lands at or near where the C. C. C. camps were located, if the erosion and soil-conservation element was serious, there would be a class or type of camps known strictly as soil-conservation camps which could be located on privately owned lands.

On account of this broadened phase of the program, we were able recently, comparatively speaking, to have C. C. C. camps located in Yalobusha County and Tate County. These camps are known as soil-conservation camps. Those camps that are located in our district in the upper watershed of the Tallahatchie but which are on lands that the Government did not embrace in the forest unit that it later established, are also known as soil conservation camps. Those camps in our district located on Government-owned lands within the Holly Springs National Forest unit are known as forest camps.

I appreciate immensely that after the Government actually began the purchase of lands within the confines of our forest unit, the camp that was first established on this forest land was named "Camp Wall Doxey."

We have all three types of camps in the Second Congressional District of Mississippi—soil-conservation camps, national-forest camps, and a State-park camp. This last-named camp is known as Spring Lake State Park Camp and is located in Marshall County, and the plans are for this Spring Lake State Park to be made one of the real show places of our section of the country.

I understand that in proportion to the amount of land owned by the Government and the area involved, no congressional district in the United States has had located in it as many C. C. C. camps as the Second Congressional District of Mississippi. Each one of the 10 counties within the district

has had at least 1 camp located in it within the last 3 years, except the 2 counties of Tallahatchie and De Soto, although I have done my best for each of these counties. However, De Soto is outside the watershed selected and Tallahatchie County is not within the badly eroded upper part of the Tallahatchie River watershed selected for the location of these camps. However, I have been for some time and am still working for resettlement and rehabilitation and soil-conservation developments in the basin of the Coldwater River. I hope before long these developments will be a reality. From time to time certain camps had to be abandoned in accordance with the Executive orders of the President to cut and reduce camps in order to conserve the available funds. We have had several camps abandoned in the district and later reestablished when funds became available for the purpose.

Although we all know the value of the work and the necessity for it, we are having a hard time obtaining funds with which to carry on the present C. C. C. program. Naturally when a reduction is found necessary and a reduction is ordered, Mississippi is required to take her pro-rata share of the cut, and as a result the cut falls heaviest in the Second District for the reason that we have all along and still have more C. C. C. camps in our district than in any other congressional district in the State. I am informed that my home town, Holly Springs, Miss., has the distinction of being the only town in the United States that has in it or right near it two World War veterans' C. C. C. camps.

No one regrets his district's losing a camp any more than I do. I know how hard it is to get a C. C. C. camp and I know the great work the camps are doing and what they mean to business and to the community in which they are located.

Just how many camps will be continued and how long the C. C. C. program will last no one at this time knows. However, I do feel that we are all thankful for what the program has already done for our district; and whether a camp was located in every community or not, we appreciate the fact that we got as many camps as we could, and certainly we did our best to keep what camps we had. We are now faced with conditions over which we have no control; and when a reduction in this program becomes necessary, it is incumbent upon us to take our share of the cut and make the best of it.

The number of Mississippi men working in C. C. C. camps has varied from time to time. On April 5, 1933, the Mississippi quota was set at 4,400. This was increased to 9,200 when the decision was reached in the spring of 1935 to expand the whole C. C. C. program. On August 31 Mississippi had a total of 12,239 men actually enrolled in C. C. C. camps. The strength of the C. C. C. nationally on that date was approximately 506,000. On February 1 the number of Mississippi men in C. C. C. camps was 9,660. On that date there were 9,021 men working in camps located in Mississippi.

Altogether, an aggregate of 20,657 young men from Mississippi have been enrolled in the Civilian Conservation Corps, from the beginning through February 1, 1936. Mississippi enrollees allotted home to dependents approximately \$4,780,000 during this period out of their basic cash allowance of \$30 a month.

Obligations for the State of Mississippi through December 31, 1935, were approximately \$19,486,000.

The Second Congressional District of Mississippi has had the following C. C. C. camps, some of which are still being operated:

## Camps

Camp no.	County	Address
PE-53.....	Panola.....	Batesville.
PE-54.....	Tate.....	Tyro.
PE-55.....	Marshall.....	Waterford.
PE-56.....	Lafayette.....	Abbeville.
PE-57.....	do.....	Oxford.
PE-58.....	Marshall.....	Holly Springs.
PE-59.....	Tippah.....	Blue Mountain.
PE-61.....	Union.....	Myrtle, route 1.
PE-62.....	Benton.....	Ashland.
F-9.....	do.....	Holly Springs (Fifth, Potts Camp).

## Camps—Continued

Camp no.	County	Address
PE-56.....	Lafayette.....	Abbeville.
F-9.....	do.....	New Albany.
F-19.....	Marshall.....	Waterford.
F-17.....	Lafayette.....	Oxford.
SCS-9.....	Tate.....	Senatobia.
SCS-12.....	Yalobusha.....	Coffeeville.
SCS-13.....	Marshall.....	Holly Springs.
SCS-14.....	Benton.....	Ashland.
SCS-15.....	Tippah.....	Blue Mountain.
SCS-16.....	Panola.....	Batesville.
SCS-17.....	Lafayette.....	Oxford.
SP-8.....	Marshall.....	Holly Springs.

It is likely that finally on a very much reduced basis this C. C. C. program will be worked out so as to give it in a limited way a permanent status. Its purpose is to rehabilitate young men by giving them employment and advantages to prepare them for useful citizenship, as well as to help in a financial way their dependents at home. World War veterans and their families have also been benefited.

The part these camps have played in helping to solve the unemployment situation and giving our young men and soldiers a break, as well as the type of work they have done, make us realize it is a great program for a worthy cause during this depression.

Aside from saving lands and forests, these C. C. C. camps have greatly benefited young men in more ways than one.

It is the aim of this administration to help the youth of this Nation, and with this in mind the National Youth Administration was created.

The allocations under the N. Y. A. for the student-aid program in Mississippi are as follows:

	For the year
School aid.....	\$113,952
College aid.....	170,150
Graduate aid.....	675

The allocation for National Youth Administration work projects in Mississippi is \$427,500, for the operation of recreational projects, rural-youth development projects, public-service projects, and research projects.

The student-aid program in Mississippi provided assistance to 5,733 students in February 1936, distributed to the high schools, colleges, and graduate schools.

Youth projects in Mississippi are employing 4,000 young men and women throughout the State. The following are typical projects in operation in the Second Congressional District:

	Total cost	Location of project	Number of youth assigned	
			Male	Female
Public service project.....	\$36	Panola County.....	0	2
Recreation project.....	180	Benton County.....	0	4
Do.....	270	De Soto County.....	2	4
Do.....	270	Lafayette County.....	2	4
Do.....	180	Marshall County.....	2	2
Do.....	270	Panola County.....	2	4
Do.....	450	Tallahatchie.....	4	6
Do.....	270	Tate.....	2	4
Do.....	270	Tippah.....	2	4
Do.....	270	Union.....	2	4
Do.....	270	Yalobusha.....	2	4
Do.....	54	De Soto.....	0	6
Total.....	2,790		20	48

Our Government also provides for a limited number of qualified young men to enter the Naval Academy at Annapolis, Md., and the West Point Military Academy at West Point, N. Y.

I have been able during my service in Congress to offer an appointment to either the Naval Academy or the West Point Military Academy to some boy in each county of our district. It is estimated that the cost to the Government for a 4-year course at either academy is approximately \$12,000.

## V

## FLOOD CONTROL—SARDIS RESERVOIR

The flood situation in what is known as the backwater area of Mississippi has always been a serious problem for

our district. Local interests have spent a great deal of money for flood protection in our district, but we never could get the Federal Government to consider it as a national or Federal problem and help us in the "backwater area." The Government took the position that our rivers were not navigable; that is, they were not necessary to the navigation of the Nation, and therefore the Government had no jurisdiction over them even though they were tributaries of the Mississippi River. The Government had many surveys made of the rivers and conditions in our section of the State but every report made by the Government and Army Engineers was unfavorable and carried the specific recommendation that it was a local flood problem and not one subject to Federal flood control and the expenditure of Federal funds. No progress toward obtaining Government aid to help us control our floods in the backwater area was made other than obtaining Government surveys, maps, opinions, reports, and hearings before congressional committees.

I introduced in Congress H. R. 6190, a bill "To provide for the control of the waters of the Coldwater, Tallahatchie, Yocona, Yalobusha, and Yazoo Rivers in Mississippi, and for other purposes." This bill of mine provided, among other things, that such plan for the improvement of navigation and the control of the waters of these rivers and their tributaries should include channeling, straightening, and deepening the streams, soil-erosion prevention on the watersheds by reforestation of abutting land and other methods, and the establishment of reservoirs for the control and storage of the water.

My flood-control bill further provided that the Government, in order to carry out the purposes of the act, be authorized to enter into contracts, to purchase lands, to erect dams and other structures, and to do all things necessary to prosecute the plans therein set forth. My bill authorized an appropriation not to exceed \$60,000,000 to be used and spent by the Government for this purpose. However, up to the present time we have never been able to get any legislation passed in Congress to control the flood waters of these rivers and their tributaries and protect this backwater area from the destruction of the floods in this section of our State. Nevertheless, we have kept on working with everybody from President Roosevelt on down the line, and last year after Congress adjourned we succeeded in getting President Roosevelt to issue an Executive order allocating \$1,000,000 to be used in the construction of what is known as the Sardis Reservoir, in the Second Congressional District of Mississippi. It was understood that this was a \$10,000,000 project, and that if and when the landowners in the counties of Panola, Lafayette, and Marshall would agree to sell to the Government at a reasonable price sufficient lands to construct the reservoir and store the water, there would be some way provided to get the other \$9,000,000 to complete the project. The landowners in these counties were immediately contacted, and most of them signed the necessary options. This preliminary and necessary work required time, and the Government's district engineer, Col. L. E. Oliver, had charge of the work. He submitted his report to the authorities in Washington the first of this year, and it was accepted and passed upon favorably.

However, it is to be noted that this is the only project of its kind in the United States where the Government agrees to purchase the necessary lands from the land owners. It is the Government's policy to do only the actual construction work on such projects, and all necessary lands and rights-of-way are furnished by the local interests. We told the President and all other Government authorities in the beginning that it would be impossible for the people, the land owners, the districts, the counties, or the State of Mississippi to provide and furnish these necessary lands, and that the only way to obtain this land for the purpose of constructing the Sardis Reservoir was for the Government to buy the land. So it was understood when we procured the first million dollars that the Government would make an exception in this particular case of the Sardis Reservoir and

pay for the land if it could be obtained at a reasonable price. The land owners of our district have substantially agreed to sell their lands at a price considered fair and reasonable. So after the report was filed in Washington, the next step was to obtain the other \$9,000,000. The President, however, then had no funds available from which this \$9,000,000 could be secured. Many emergencies had arisen since we procured the first million dollars, and all the funds had been allocated. As stated, those of us interested in this project have contacted everybody we thought could possibly help us with it from the President on down. I personally never missed an opportunity to bring it to the President's attention. I even discussed it with him several evenings ago when Mrs. Doxey and I were having Sunday evening supper at the White House with the President and Mrs. Roosevelt. I know President Roosevelt is our friend; he is with us, and is entirely appreciative of our position, but there is just no Federal fund available for this purpose at this time.

All the public-works money appropriated by Congress has been allocated, so Members of both the Senate and the House interested in our project have been, are, and will continue to do everything in their power to provide and secure the necessary funds in order that the Government may buy this land and begin construction of the Sardis Reservoir. However, so far the efforts of all of us combined have not been able to pass the necessary appropriation in Congress for this purpose, nor has the President been able to find any funds at his disposal so that by Executive order he could provide additional funds sufficient to purchase the land and insure construction of the reservoir. It will take nearly \$2,000,000 to purchase the lands at the figures set forth in the options already signed by the landowners. It will take something like at least \$9,000,000 to complete the construction of the reservoir proper. The Army Engineers and other authorities are not going to recommend that the Government take any further steps until sufficient Government funds are in hand so as to make certain that if and when the Sardis Reservoir is undertaken to be constructed by the Government, it will be sure to be completed. It is estimated that it will require 2 years to complete the project and that it will give employment to 5,000 persons and that the total cost to the Government, including the purchasing of the land, which will be about 100,000 acres, will be something over \$10,000,000. This is the first project of its kind anywhere in the South on which even this much progress has been made. Both Mississippi Senators, all seven Mississippi Congressmen, and all their friends are doing everything in their power to definitely secure sufficient funds to construct the Sardis Reservoir as soon as possible. The construction of this reservoir means the beginning of a real and far-reaching flood-control program for our section of the country. Without it, it is going to be nearly impossible for us to get any other kind of Government flood relief in our backwater area. This Sardis Reservoir is the key to our flood problem in the backwater area of Mississippi.

If and when the construction of the Sardis Reservoir is assured and truly gets under way, then there will be some chance for us in our section to get other, further, extra, and possibly different Federal flood-control projects for our district and the entire backwater area. We all realize the importance and necessity for this reservoir and all of us are doing everything in our power to secure this project as soon as possible. We have a fight and a hard one, but we have gone a long way in our efforts to obtain this project. This time last year there were no signs of encouragement with regard to it. Today all preliminary steps have been taken and approved. If we can now obtain sufficient additional Government funds to insure the completion of this project, work on the Sardis Reservoir will be begun within 30 days after we get the money for this purpose. Securing Government funds is now the problem. Believe me, it is a real problem, for this administration is reducing expenditures and cutting and slashing the use of Government funds in all directions. All kinds of programs and public works are

being discontinued and abandoned. No new ones are being started. Economy, reform, reduction, retrenchment seem to be the order of the day, and I am for it strong.

## VI

## PUBLIC WORKS AND BUILDINGS

Since the inauguration of the public-works program, our State has received comparatively a small distribution of the funds, mainly for the reasons that local interests were unable to match Government funds as the requirements of the public-works program were that public-work projects would be instituted either by the Government extending, under certain conditions, "grants only", "loans and grants", and "loans only." Nevertheless, the Second Congressional District has shared fairly well on the type of projects on which the Government has furnished the major portion of the funds needed. Quite a number of new schools have been constructed and repaired; several light plants, water-works, sewerage, and paving projects have been begun in a number of our towns. Some other public works of value and importance to the communities, villages, towns, and counties are under construction, but none that especially stand out as general public improvements except two, namely, the enlarging and remodeling of the Federal building at Oxford and the new post-office building to be constructed at New Albany, Miss.

These two permanent public-building projects are paid for entirely by the Government. The remodeling of the Federal building at Oxford will cost \$82,500, and the estimated total cost of the new equipment for this building is \$4,261.

The new post-office building at New Albany will cost approximately \$68,000, including the site that was purchased by the Government for \$12,000.

These are both great assets to our district. The fine and convenient Federal building at Oxford will serve the public and the citizens of the entire northern section of Mississippi. The real fight was begun for this building when as a new Member of Congress I was on the Committee on Public Buildings and Grounds. The Republicans were then in power and I had to have help from my Republican friends and I got it. Congressman Dick Elliott, a Republican from Indiana, was then chairman of the House Committee on Public Buildings and Grounds. I was one of the Democrats on his committee, but we were friends. He went with me to see President Hoover and other high Republican officials in an effort then to get sufficient funds to improve the Oxford Federal building. Enough of my Republican friends then among the leaders of Congress helped me to obtain an authorization of \$70,000 to be used to remodel this building at Oxford. This authorization was passed by a Republican Congress and approved by a Republican President in 1931. However, I was never able to get the actual money appropriated and set aside for this specific purpose until the Democrats came into power.

This handsome Federal building at Oxford will soon be completed and stands as a credit and monument to our district.

I have introduced in Congress bills to construct new post-office buildings at Ripley and Charleston, Miss., as well as at New Albany, but I was not able to get very far in securing a new post-office building for any town in the Second District except New Albany, for the reason that unless the receipts of a post office amounted to more than \$10,000 a year no serious consideration could be given to the construction of a Federal building for the post office in that town. None of the post offices in the Second District at that time had yearly receipts amounting to more than \$10,000, except those towns already having Federal buildings.

However, I am happy to say that the prospects now are that there may be some office in our district where the postal receipts will show an increase to more than \$10,000 yearly, and I have just succeeded in getting the Post Office Department to have surveys made of the situation at both Ripley and Charleston, in an effort to get a new post-office building at one or both of these places.

## VII

## EMERGENCY RELIEF AND WORKS PROGRESS ADMINISTRATION

In an effort to carry out our President's desire that no one should go hungry in this great Nation of ours, Congress, on May 12, 1933, enacted the Federal Emergency Relief Act. Under this act the total emergency relief expenditures for the State of Mississippi during 1933, 1934, and 1935 were:

Year	Total amount	Federal funds	
		Amount	Percent
1933.....	\$6,052,339	\$5,994,201	99.0
1934.....	12,565,423	12,320,363	98.0
1935.....	13,641,949	12,713,575	93.2
Total.....	32,259,711	31,028,139	96.2

Of these amounts the Second Congressional District received the following:

## FEDERAL EMERGENCY RELIEF ADMINISTRATION

Amount of obligations incurred for emergency relief<sup>1</sup> by sources of funds for the counties in the Second Congressional District of Mississippi, April-December 1933 and calendar years 1934 and 1935

County	Total amount	Federal funds		State funds		Local funds	
		Amount	Percent	Amount	Percent	Amount	Percent
Benton.....	\$141,719	\$140,279	99.0	\$269	0.2	\$1,171	0.8
De Soto.....	163,964	163,022	99.4	375	.2	567	.4
Lafayette.....	225,415	212,670	94.4	9,076	4.0	3,669	1.6
Marshall.....	162,551	159,750	98.3	267	.2	2,534	1.5
Panola.....	205,477	199,359	97.0	193	.1	5,925	2.9
Tallahatchie.....	375,129	368,971	98.4	755	.2	5,403	1.4
Tate.....	188,347	187,140	99.4	455	.2	752	.4
Tippah.....	232,912	231,984	99.6	913	.4	15	(?)
Union.....	263,778	263,177	99.8	400	.1	201	.1
Yalobusha.....	231,626	224,591	96.9	1,354	.6	5,681	2.5

<sup>1</sup> Includes obligations incurred for relief extended under the general relief program, under all special programs, and for administration; beginning April 1934 these figures also include purchases of materials, supplies, and equipment, rentals of equipment (such as team and truck hire) earnings of nonrelief persons employed, and other expenses incident to the emergency work relief program.

<sup>2</sup> Less than 1/10 of 1 percent.

However, the number of people without employment constantly increased the relief rolls until it was growing to such proportions that the Government thought it best for the morale of the people to adopt some plan whereby people could be taken off the relief rolls and be given an opportunity to earn their support or to earn enough to tide them over. Thus, it was that the WPA came into being, and the fundamental principles with regard to the W. P. A. program were that the projects should be useful and of such a nature that a considerable proportion of the money spent would go into wages for labor; also, that all projects must be of a character to give employment to "those on the relief rolls"; and that projects must be allocated to localities or relief areas in relation to the number of workers on relief rolls in those areas. In the beginning the stipulation was that all projects must employ at least 90 percent of their labor from relief rolls. This prevented many worthy projects being established in our district. In fact, last fall there was a great deal of uncertainty and dissatisfaction attending this W. P. A. program in Mississippi, so a month before Congress convened I left home and came to Washington, as I knew there were many matters that I could handle better by contacting the various authorities of the departments here in person than I could by staying down home and writing or wiring them. One of the first things I did on my arrival in Washington was to contact the W. P. A. authorities in an effort to get our W. P. A. program in Mississippi functioning in a satisfactory and proper manner. The authorities here made concessions to Mississippi that were made to very few States in the Union. A drought area was created within the State, and I was successful in getting the authorities to include every county in our district in the drought-stricken area so that drought-stricken farmers might be eligible for work on W. P. A. projects, even though they had not been on the

relief rolls; this meant that more people would be put to work and that more money would be spent in the District than would have been otherwise.

As a further effort along this line, I introduced on the first day of this session of Congress—January 3, 1936—a House joint resolution, No. 427, providing that on account of the drought and other conditions of nature over which we had no control, the rules and regulations then in effect as to who was eligible to be placed on the relief rolls and be put to work on the W. P. A. projects should be modified so as to include those persons living in drought- and flood-stricken areas who were not on the relief rolls but who were worthy and in need of help and employment and were willing to work although not on relief.

On orders issued by Mr. Harry Hopkins, the National Director of the Works Progress Administration in Washington, 10,000 additional persons were added to the eligible rolls of Mississippi for W. P. A. employment. Every county within our district was included, within what was designated as the "drought-stricken area", and about two million more dollars was allocated to Mississippi to be spent for additional relief-employment purposes under State supervision.

The entire Mississippi delegation, including both Senators and the seven Congressmen, have at all times done everything they could to obtain for Mississippi its fair share of this Federal relief money. For what and how it has been spent is a matter absolutely and entirely within the jurisdiction of the State authorities.

Federal participation in W. P. A. in our State is under the control and supervision of Dr. Wayne Alliston, the State director of the Works Progress Administration for Mississippi.

Obviously no office in Washington could undertake to earmark or designate which project in a State should be given preference or be put into operation; if they attempted to do that for one State, they would have to do it for all the States, which could not satisfactorily be done. Therefore, the selection and supervision of these projects was left entirely to the W. P. A. administrator in each State. In Mississippi the selection and supervision of these projects is entirely within the jurisdiction of the Mississippi State W. P. A. director—Dr. Alliston—and those working under him. Congressmen have nothing whatever to do with what projects are selected for construction or who is to work on them or who is to have jobs in the various set-ups. All that has been turned over to the Works Progress director of the State. All that Congress does or can do is to enact the law that will furnish the money for the work. That is what we have been doing. The administration of the law is entirely within the hands of State officials. Again, I repeat—the selection of the projects to be put into operation and the selection of the individuals who are put to work on the projects is left wholly up to the State and local authorities, and the Congressmen have nothing whatever to do with the same.

There have been many substantial and worth-while projects in our district selected and some constructed with Government funds by State W. P. A. officials—farm-to-market roads, school buildings and repairs on some; county, town, and village improvements of various kinds—and I trust some cold-storage plants, county agricultural buildings, National Guard armories, airports, recreational centers, and other permanent improvements that have already been approved by both State and Federal authorities will be established, even though they have not as yet been finally selected and designated for actual construction by the State Works Progress administrator of Mississippi, Dr. Wayne Alliston, with whom is lodged the final authority to order these projects constructed. Naturally, more projects were approved in Washington than will ever be finally selected and constructed out of W. P. A. funds. More applications were approved than funds were available for in order to give the State Works Progress administrators a flexible program, so that they would have a great number of projects to pick from in the selection and construction of the relatively few projects that

will be finally completed with relief labor and paid for by the Government.

The Second Congressional District of Mississippi has thus far received a considerable portion of Federal funds spent for this type of relief.

Congress has provided other forms of relief, some paid for entirely out of Federal funds. Other relief measures enacted by Congress require the State also to provide State funds before the program can be put into operation.

One particular example of this type of relief where matching Government funds with State funds is required is the social-security program. That law enacted by Congress is intended to provide some safeguard against the insecurity of modern life through cooperative action by the Federal and State Governments.

The provisions of the Social Security Act make possible a number of distinct though related measures for social security grouped into about six general divisions, namely, (1) old-age assistance and old-age benefits; (2) unemployment compensation; (3) security for children; (4) aid to the blind; (5) extension of Public Health Service; (6) vocational rehabilitation.

In order for the people of a particular State to participate in these benefits, the State legislatures must enact State laws best suited to their particular State's local conditions and peculiar problems and provide for the use of State funds. For example, until the recent session of the Mississippi State Legislature, no aged citizen of Mississippi could secure any old-age benefits. Our legislature in March of this year passed an old-age-pension law and provided a million dollars to be used for the benefit of the needy and aged individuals of our State who come within the provisions of the law just passed by our State legislature.

The Federal Government will match on a 50-50 basis every dollar spent by the State for old-age assistance but will not contribute more than \$15 per month for any one individual. In other words, if the State puts up \$15 per person, the Government will match it with \$15 Federal funds, but no more. Of course, if the State puts up less, the Government will put up a like amount of money. When this matter was before Congress, many of us, especially those Members in Congress representing Southern States, endeavored to have the law enacted so as to require no matching by the State and require the Federal Government to put up all the money, not to exceed the amount of \$30 per month for each old person eligible for the pension under the law and the regulations established. We failed after a hard fight.

The Mississippi delegation in Congress realized it would be a hard problem for our State to be able to match these Federal funds. However, now Mississippi has provided a million dollars for this purpose. What amount that will be for each worthy old person who comes within the provisions of the law, I do not know. The State administers the law, and it is handled in accordance with the State law by State officials. The plan no doubt will soon be worked out and be administered by the State agencies as to the amount to be paid to each aged person in Mississippi qualifying under the law.

In this connection Mississippi has already received under the Social Security Act for the months of February and March of 1936, the following:

	Old-age assistance	Aid to the blind	Aid to children
Grant for assistance.....	\$175,000	\$8,400	-----
Additional 5 percent for administration or assistance.....	8,750	420	-----
Total grant for assistance and administration.....	183,750	8,820	\$32,356

Grand total, \$224,926.

The State of Mississippi has received from the Federal Government through the Children's Bureau during the present fiscal year \$20,400.10. This sum is the first payment to the State under the grants-in-aid provisions of the Social

Security Act concerned with maternal and child health. Another payment of \$30,600.34 will be made to Mississippi for this same purpose prior to June 30, 1936.

The appropriation for carrying out the provisions of the Social Security Act became available on February 11, 1936. Prior to this date the Children's Bureau had no responsibility for administering grants-in-aid measures, and there were therefore no payments to Mississippi for earlier years.

The amount of expenditures of the Public Health Service in the State of Mississippi for each of the last 6 years is as follows:

1930.....	\$62,342
1931.....	63,285
1932.....	136,232
1933.....	38,185
1934.....	52,597
1935.....	49,251

The large expenditure during the fiscal year 1932 was on account of a special appropriation made by Congress for public-health work in drought-stricken areas.

The other related provisions of the Social Security Act depend upon enactment of State laws functioning in a similar manner as the old-age-pension plan.

The philosophy of this type of legislation is looking forward to and endeavoring to give security to the citizenship of this country. One of the outstanding pieces of legislation of this administration along this line has been the creation of the Federal Deposit Insurance Corporation. We all know the chaotic condition facing this country in March 1933. Banks were failing and closing throughout the country, and in our district the bank failures had affected many of us in a most disastrous manner. It was a most serious problem, but the new administration took hold of the situation and Congress fashioned and enacted a measure whereby our banks were put on a more stable basis and your deposits today are guaranteed up to the amount of \$5,000. We have the best and strongest Federal banking system today that this country has ever known, and it has been the purpose of this administration to protect the depositors in their life savings and to insure that the banking concerns that hold themselves out to do business with the people are on a firm, solid basis.

### VIII

#### VETERANS' BENEFITS—SOLDIERS' BONUS

All during my public career I have never missed an opportunity to do what I could, under the circumstances, for any and all soldiers, their wives, children, and dependents.

Since I have been in Congress I have maintained and kept my office open for business the year round both at home and in Washington. Through each office there has been handled a great volume of business for the veterans of all wars, their wives, children, and dependents. There are many, many things that we tried and wanted to do for the veterans that we were unable to do—just could not do them under the circumstances, laws, rules, and regulations. Ever since I have been in Congress I have worked for the bonus—signed petitions and discharge motions, attended various conferences and caucuses, made speeches, cooperated in every way I could, and voted every time for the immediate cash payment of the so-called "soldier's bonus." Today it is a reality. The World War Veterans have their bonus in cash or will have it in cash on June 15, 1936, if they want it.

In my own State—Mississippi—36,802 World War veterans will receive \$19,308,411.76, approximately.

The veterans of the 10 counties comprising the Second Congressional District of Mississippi will receive approximately the following amounts by counties:

Benton County.....	\$94,322.56
De Soto County.....	244,510.06
Lafayette County.....	192,028.54
Marshall County.....	239,040.83
Panola County.....	275,364.58
Tallahatchie County.....	341,879.62
Tate County.....	167,853.66
Tippah County.....	179,340.70
Union County.....	204,428.02
Yalobusha County.....	170,613.00

Total to veterans of Second Congressional District of Mississippi..... 2,109,381.57

With more than \$2,000,000 distributed for this purpose in our district at this time, everybody should be benefited. It is estimated that there will be a turnover of the money within the next 12 months of something like eight times. That means that this money will pay bills; provide for the necessities of life; purchase comforts for men, women, and children; create business; satisfy mortgages on homes and mortgages on personal property; and, in general, make life more worth while.

The statisticians say that the payment of the bonus throughout the entire country will cause this bonus money to do \$16,000,000,000 worth of additional business in the United States within the next year. It belongs to the World War veterans and their families, and I am happy it is paid and that I had the privilege of helping the veterans get their bonus, along with many other benefits, such as disability allowances, compensation benefits, insurance benefits, funeral expenses, and so forth.

Whether Congress was in session or not, I stayed on the job and did the best I could at all times.

Aside from the amount of bonus mentioned above, the following statement indicates the approximate disbursements for veterans and dependents of deceased veterans of all wars for the fiscal years 1932, 1933, 1934, and 1935 for the State of Mississippi:

Mississippi	Fiscal year			
	1935	1934	1933	1932
All wars:				
Compensation and pensions, veterans and dependents of deceased veterans (disability and death).....	\$5,088,117	\$4,173,205	\$8,237,842	\$7,717,304
Military and naval insurance.....	1,298,693	1,330,524	1,574,424	1,560,104
Adjusted service and dependent pay.....	27,187	41,033	53,704	60,317
Adjusted-service certificates (matured by death).....	222,044	249,496	268,787	206,603
Administration.....	1,127,915	870,946	1,018,254	1,040,487
Construction.....	970	70,671	768,597	370,441
Total disbursement.....	7,764,926	6,735,875	11,921,608	10,955,296

<sup>1</sup> Includes expenditures incident to the maintenance and operation of all offices and hospitals, all forms of medical, hospital, and domiciliary care.

### IX

#### ROADS

Everybody has worked for good roads in Mississippi. From many standpoints we have already accomplished much in road building in our State. Mississippi has a highly satisfactory system of what is known as "secondary roads." Most all the roads in our district are graded and surfaced. Any time of the year—in all kinds of weather—nearly all the roads through the rural sections are passable. The reason we are held up to criticism as a State and district with regard to roads is on account of our main trunk lines designated as "through Federal highways" being for the most part graveled and not concreted. The conditions and the times demand that especially the main Federal highways be concreted. In our district, much money—county, State, and Federal funds—has already been spent on our good-roads program. The Government has certainly been generous in allocating Federal funds for road construction in Mississippi, as is shown by the following figures:

*Federal highway funds apportioned to Mississippi by the Secretary of Agriculture, fiscal years 1929 to 1936, inclusive*

Fiscal year	Federal aid		Forest roads	Repairing roads destroyed by floods
	Regular	Emergency		
1929.....	\$1,309,729.00			\$628,000
1930.....	1,311,391.00			
1931.....	2,212,421.00	\$1,434,736	\$4,270.50	
1932.....	2,209,509.00		1,130.54	
1933.....	1,907,440.80	2,160,164	14,251.41	
1934.....		6,978,675	126,761.00	
1935.....		3,540,227	26,749.87	
1936.....	2,196,524.00	6,699,027	38,727.34	
Total.....	11,147,014.80	20,812,829	211,890.66	628,000

These figures do not include funds recently made available to Mississippi under the \$40,000,000 road program.

Already a part of Federal Highway 51 and a portion of Federal Highway 78 in our district are concreted. I feel certain that under the present \$40,000,000 State road-building program at least these two main highways will be entirely concreted. Then the Second Congressional District will at least have a concrete highway running north and south and a main highway east and west completely concreted throughout our district.

Under this present program, it may be possible that other main highways in our district may be concreted. I hope so. But that remains yet to be seen. It has taken a great deal of time, labor, and cooperation on the part of us all to procure the present \$40,000,000 road program for Mississippi. Our Governor, our State legislature, and all officials certainly did a good job and cooperated in a wonderful fashion. Our United States Senators and all Mississippi Congressmen worked at this job continuously not only during the sessions of Congress but during the recess of Congress. Through this cooperative effort we secured an outright gift or grant from the Federal Government of \$15,000,000 for Mississippi, which made possible this present Mississippi \$40,000,000 road program. In addition, the Federal Government loaned to Mississippi on long terms, at a low rate of interest, the sum of \$18,500,000. Securing about \$33,500,000 at this time from the Federal Government to build roads in any State is quite an accomplishment. It is also going to be a serious and responsible task to properly administer and execute this road program which has been placed in the hands of State officials.

May our great State and our splendid district obtain worth-while results and receive full, adequate, just, and fair value for the money to be expended in this progressive good-roads program in Mississippi.

# X

## T. V. A.—RURAL ELECTRIFICATION

When I first came to Congress one of the vital issues before it was the "development of Muscle Shoals." Nothing had been done with that great natural and national asset except the developments as a wartime project, resulting from the passage of a wartime measure by Congress during the Wilson administration.

After the World War, when the Democrats went out of power and a Republican administration was ushered in, the development of this great project came to a standstill. Both President Coolidge and President Hoover vetoed legislation passed by Congress for the further development of Muscle Shoals. Never were we able to do anything until the Democrats regained control of this Government and Mr. Franklin Delano Roosevelt occupied the White House as our Chief Executive. Since then we have been able to go places and do things. The first session of Congress under this Democratic administration passed legislation to develop Muscle Shoals and created the Tennessee Valley Authority, briefly referred to as the T. V. A. This development has been marvelous, and the work of the T. V. A. has been unsurpassed. From the beginning, a portion of our State—the northeastern part of Mississippi—was included within the area known as the T. V. A. area. At first, no territory embraced within the Second Congressional District of Mississippi was designated within the immediate T. V. A. development area. However, a project as big and as far-reaching as the T. V. A. necessarily will reach out and expand. As the construction of the various dams progressed, additional legislation by Congress was enacted and more Federal funds provided, which permitted other territory to be added to the Tennessee Valley area, and plans for development of our particular area began.

This expansion was reaching our way, and about 18 months ago the northeastern part of our district was included within this immediate T. V. A. area. Power and electrification developments by the T. V. A. started in portions

of Union, Tippah, Benton, and Marshall Counties of Mississippi. Since then rapid strides have been made in this territory by T. V. A. Today with the city of New Albany, the county site of Union County, as the central distributing center for T. V. A. power and electrical energy in this section of our district, a new era is at hand for the people in this section of Mississippi.

Within the near future my home town of Holly Springs, Miss., will be also one of the central distributing cities for T. V. A. power. From time to time as additional territory is included within the T. V. A. area, other towns and counties in our district will be receiving T. V. A. power if they want it and go after it whole-heartedly. To my mind, the time is not far distant when all the territory comprising the Second Congressional District of Mississippi will have the opportunity to secure the wonderful advantages of T. V. A. Whether or not the terms and conditions incident to T. V. A. contracts are agreed to by the towns and counties offered this opportunity is a matter entirely in the hands of the people and the local authorities to accept or reject if and when the T. V. A. contract is tendered them. The purpose of the T. V. A. is to benefit the country people as well as the town people. The T. V. A. facilities afforded the towns as distributing centers will be necessary in order to construct power lines throughout our rural districts for rural electrification.

T. V. A. is the cheapest electrical power obtainable. That is an important factor in rural electrification.

Judge the future by the past. Wherever T. V. A. has gone, satisfaction has reigned. Cheap power and electricity mean more to both the city and the country development than any other one thing. T. V. A. promotes industry. It denotes progress. It insures the best for the least. It brings happiness. It relieves drudgery. It holds out the many benefits of cheap electrical energy to every home both in the cities and in the country. It will revolutionize our way of living and cause the eyes of the world to be on us. This T. V. A. development is just in its infancy. So is rural electrification.

The many and varied benefits of rural electrification in our district are just beginning to be felt. May it spread until every home in our district enjoys the blessings it has in store for us. Advancement, achievement, progress, and prosperity follow T. V. A. and rural electrification. It is an opportunity of a lifetime and makes living more worth while. Our district is indeed fortunate to have T. V. A. within its reach. To say that I am for it and have done everything I could to help bring it to us is putting it mildly. I have worked night and day, in season and out of season, for the development of the Tennessee Valley Authority. I was present when this case was argued in the Supreme Court of the United States. I was there when the decision of the Court was rendered by Chief Justice Hughes. I heard the only judge out of the nine Justices—Mr. Justice McReynolds—dissent.

A few weeks before, when I heard this same Court by a divided opinion of 6 to 3 declare our Agricultural Adjustment Act unconstitutional, I was distressed. I said then that the A. A. A. decision is a blow to us, but we can still do something for agriculture and enact a law as a substitute for the A. A. A., but if that Supreme Court declares the T. V. A. unconstitutional there is no hope of Congress passing a law as a substitute for T. V. A., so when the Supreme Court upheld the constitutionality of the T. V. A., I was indeed happy.

In my judgment, there will yet be other legal attacks made upon T. V. A. The Supreme Court only passed upon a case where the facts involved Wilson Dam and its operation. That development was begun and completed during the World War, with its main purpose—national defense; these other developments such as Norris Dam, Wheeler Dam, and Pickwick Dam are peacetime developments and present different issues of fact as well as of law. I am certain that the Supreme Court of the United States will before long be called upon to decide these issues.

No one knows what, when, and how these issues will be presented to the Court. Nor do they know how the Supreme Court will decide them. Therefore I trust the people of my

district and my State will at their first opportunity take advantage of T. V. A. if and when the opportunity is given them by this governmental agency. When we get T. V. A. it will be hard to take it away from us. However, until we do get it, there is always a chance of us not getting it.

One development leads to another. The entire program sponsored by this administration is interrelated and applies to all classes and affects directly or indirectly all persons in this country. With T. V. A. and rural electrification distributed to the farm homes of our district, we are in a better position to obtain a real Government rural resettlement project. I have been working on this resettlement program for our district ever since it was established by this present administration. We have felt some of its benefits by virtue of the Government renting some lands and endeavoring in every county in our district to rehabilitate some of our destitute farmers, but to date we have not been successful in getting a permanent resettlement colony established in our district, although examinations, surveys, and investigations have been made in various parts of our district; however, when these reports were compared by Washington officials with the reports of other districts making application for resettlement colonies, it was found that our district by comparison with the other districts did not show the need or the facilities or the land eligible for such projects that the other districts did. That is often the great stumbling block with regard to many projects.

A project viewed solely from a local standpoint looks worthy indeed and the applicants can see no reason why the Government should not take favorable action on their particular application. However, in Washington the project is viewed not from a local standpoint but from a national standpoint; that is, the authorities can handle just so many of a certain type of project; they consider all the applications—all the cases—and compare the merits of each one with the merits of all the rest. Then begins the process of selecting the one best meeting all the requirements, and in this process the case that looked so favorable from a local standpoint has not a chance when compared with all the other cases. And that is exactly what happened with the several applications I presented from our district to the Resettlement Administration in Washington.

However, this is about the only governmental activity under this New Deal program applicable at all to the conditions of our district that has not been securely located and operated within our district to date. It may be later that we will be successful in this regard as this resettlement program progresses.

Along this line there is now before my committee bills proposing "To establish the Farmers' Home Corporation, to encourage and promote the ownership of farm homes and to make the possession of such homes more secure, to provide for the general welfare of the United States, to provide rural rehabilitation and additional credit facilities for agricultural development and for tenant farmers, and for other purposes."

The membership of the House Committee on Agriculture has been working on this farm-tenant problem for quite a while. We realize it is a most serious and urgent problem, but it is going to take time, money, effort, and cooperation to get a satisfactory farm-tenant bill passed by Congress. I realize that the quicker we have more home owners and less tenancy in this country the better off this country will be. However, at this time we are faced with much opposition and it is going to take time to overcome this strong opposition.

Some important farm legislation will necessarily have to go over until the next Congress, and I am afraid that this is what will happen to the farm-tenant bill that is now being considered by my Committee on Agriculture. I am for home ownership in this country and am doing all I can to have such a law enacted by Congress as soon as possible.

In conclusion I give a brief summary of the many benefits that have poured into the State of Mississippi since Franklin Delano Roosevelt took office as the head of this great Nation.

*Summary operations report, Federal agencies in Mississippi*

Farm Credit Administration:	
Mortgage loans.....	\$15,122,200
Short-term credit.....	22,997,282
Home Owners' Loan Corporation.....	16,315,256
Federal Housing Administration:	
Title I.....	<sup>1</sup> \$1,609,218
Title II.....	<sup>1</sup> 2,794,082
Reconstruction Finance Corporation.....	36,962,030
Commodity Credit Corporation.....	30,845,657
Civil Works Administration.....	8,297,882
Emergency conservation work.....	21,286,013
Public Works Administration:	
Non-Federal projects.....	6,889,635
Federal projects.....	21,535,683
Federal Emergency Relief Administration.....	34,793,392
Agricultural Adjustment Administration.....	34,394,852
Emergency Relief Appropriation Act of 1935 (W. P. A.).....	45,413,286
Total.....	294,853,168
Less duplication of Emergency Relief Appropriation Act of 1935 funds.....	22,479,228
Less Reconstruction Finance Corporation loans prior to Mar. 4, 1933.....	11,588,959
Net total.....	260,784,981

<sup>1</sup> Not included in the total.

The net total is an approximation of the amount of funds which has been loaned, allotted, expended, or disbursed in Mississippi since March 1933 by agencies and departments of the Federal Government. This is a conservative approximation and includes loans and grants of Federal funds to individuals, organizations, and to the State by the above agencies.

We all know and are deeply appreciative of the wonderful response that the Government and all relief agencies have given to our State in times of disaster as evidenced in the recent catastrophe that visited our section of the State and took such a heavy toll of life and property, especially at Tupelo, Miss.

This Democratic administration has delivered. It does not have to rely on empty promises and vain generalities. For the past 3 years well-marked signboards have been erected along the way of this administration from depression to prosperity. We have not yet reached our goal although we are marching surely and steadily onward in a great effort to make this country a better place in which to live and to provide for all its citizens the opportunity of a "more abundant life."

Of course, I have not attempted to set out all the benefits that we have received under this Roosevelt Democratic administration, but I believe from what I have shown, you feel, as I do, truly grateful for the benefits we have received under this humanitarian and far-sighted administration, and I am thankful that I was privileged to have a small part in helping to procure these benefits for my beloved country, State, and district. [Applause.]

Mr. VINSON of Kentucky. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. Ford].

Mr. FORD of California. Mr. Chairman, the first principle of taxation is that the burden should be apportioned in accordance with the ability to pay. The second principle is that, whenever possible, taxes should be assessed so as to advance sound principles of social justice. It is, therefore, well to examine the present tax bill in the light of these principles.

The outstanding provision of this bill is the tax on the total net income of corporations, with the rate varied according to the percentage of profits put into surpluses. For taxing purposes corporations are divided into those with adjusted net incomes of \$10,000 or less and those with adjusted net income of more than \$10,000. And the rate is increased according to the percentage of profits put into surplus—or otherwise held from distribution.

This is just, because those taxed are manifestly able to pay the tax. And it is highly desirable, because it is bound to have favorable social and economic consequences. Those who have made an unbiased study of our unstable and inequitable economic system quite generally agree that one of the major causes of its devastating booms and its ruinous periods of depression is the building up by great corporations of excessive surpluses.

These surpluses come, of course, out of profits. Profits arise from many sources, but the outstanding source in industry is the lowering of unit costs of production. This reduction in unit costs is largely due to the decreased cost of labor per unit of production. The lower labor costs may be, and usually are due to improved machinery, which lessens the man-hours of labor applied to the making of the product. This should be a blessing to all mankind, and it could be if human welfare had any reasonable consideration in industry. But, unfortunately, the introduction of labor-saving machinery results in the throwing of men and women out of work and the consequent reduction of public purchasing power.

Thus, tragically, labor-saving machinery has increased profits and has reduced the share of labor in the products of industry. And in many cases the stockholders in the industrial corporations have not received their fair share of the increased profits. Instead a large part of the profits are held in surpluses.

This is the crux of our failure to achieve and maintain general prosperity in the midst of plenty. I cannot over-emphasize this. It is basic; it is the most potent cause of low wages, of the long workweek, unemployment, poverty, and the threatened collapse of our whole system. In striking at this, we are striking at the root of the economic evil. Thus it is not merely a revenue bill we have before us, but an enlightened and tremendously vital effort to bring about an absolutely necessary readjustment of the distribution of income in this country.

In industry, the lowering of costs should be immediately reflected in higher dividends, higher wages, and lower prices to consumers.

Why? First, in the interest of justice to consumers and to labor. Second, in order to stimulate consumption and keep business on an even keel. It needs no argument to make clear the basic fact that in a machine age, with large-scale production, there must be large-scale consumption, and that this is not possible if a large part of the returns from production is put into excessive surpluses.

What happens to such excessive surpluses was clearly and tragically demonstrated in the boom years ending with the collapse in 1929. Business was good; costs were low; profits were high. Surpluses mounted. The speculative fever was rampant—due to excessive profits. New business enterprises were started; investments in stocks and bonds daily increased. These caused a demand for loans. Interest rates soared so high that even conservative firms began loaning from surpluses; these loans got into the stock market; the boom expanded. And then it broke. With the collapse, millions of dollars loaned from surpluses were lost. Thus the excessive surpluses first stimulated speculation and then were lost in the collapse. Every economist will tell you that this money should never have been in the market; that, in fact, it never should have been gotten together in surpluses. Instead, it should have been paid out week after week to labor, or should have been avoided through the lowering of prices to consumers and the increase of legitimate dividends to investors.

If this policy had been followed by big business, the increased purchases by the consuming public and especially by wage earners and investors would have kept business going. There would have been no such monstrous speculative frenzy and no tragic collapse.

As it was the collapse caused the laying off of millions of workers and the partial or complete closing of thousands of plants. Now, one of the great losses suffered by industry was that due to excessive plant expansion. This was one of the ways of avoiding just taxation. The depression closed the new and unnecessary additions to the plants. Obsolescence reduced their value before the slow revival came. Nobody profited; everybody lost.

The tragic mistake that our industrial and business leaders have made during these many years is to think they could play an entirely selfish game and get away with it.

If profits are reflected in larger dividends, all business is stimulated. If profits are shared with labor, more pur-

chasing power is created for the products of industry. This is the basic fact in our machine age. It must be recognized and accepted if our system is not to collapse.

If such a policy were followed, those men and women who are displaced by the machine in one industry would easily and quickly be transferred to other employment, created by increased purchasing power in the hands of workers and of the public generally. We can well employ more people to produce luxuries not for the few but for the multitude. We can support more professional people, more teachers, doctors, dentists, nurses, lawyers. There will be plenty of employment for all, plenty of services to be rendered when the people have incomes that will enable them to live rounded and comfortable lives.

It is clear that taxing excessive surpluses will give a wider distribution of purchasing power to investors. I think it is a fair assumption that taxing excessive surpluses will tend to cause corporations to turn away from the effort to make excessive profits, for there is a peak beyond which dividends cannot safely soar. One of two alternatives will have to be considered as to profits. The first is to share with labor, either through higher wages, a shorter workweek, or direct profit sharing. The second is to reduce prices to consumers. Either is highly desirable from the standpoint of public interest, of business stability, and of the beneficial and far-reaching social effects.

The charge is made that the proposed tax will destroy small businesses. The answer is that the tax does not apply to businesses owned by individuals or in partnership. Small corporations are amply protected. Such a corporation can accumulate approximately 40 percent of its net income without paying a greater tax than it does under the present law. All corporations, large and small, may continue to retain surpluses sufficient for every legitimate need.

The charge is made that stockholders will suffer because in nonprosperous years there will be no surpluses from which to pay dividends. This is untrue, for even a large corporation can put aside as much as 30 percent of its net income for surplus and not pay any higher tax than it does today. This is sufficient surplus to insure stability of income under sound conditions.

I maintain that the tax is sound and fair and is essential as a means of distributing the benefits of the machine age to those who do the work, supply the capital, and purchase the products of the machine. [Applause.]

Mr. BACHARACH. Mr. Chairman, I yield 30 minutes to the gentleman from Michigan [Mr. WOODRUFF].

Mr. WOODRUFF. Mr. Chairman, I ask unanimous consent to extend my remarks by printing in the RECORD two tables presented to the committee during the hearings by the Commissioner of Internal Revenue, also a table prepared by a concern known as Prentice-Hall, Inc., of New York. The latter table gives information as to the specific taxes on different incomes, is accurate, and is very pertinent to the question under discussion. It will contribute much to the knowledge of the Members when they have an opportunity to examine it.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. WOODRUFF. Mr. Chairman, the demand from the White House that Congress place upon the shoulders of the already overburdened taxpayers of the Nation an additional tax burden of more than eleven hundred millions of dollars brought more sharply to the attention of the public the profligate way in which the national substance is being dissipated by the administration. That public funds—the people's money, if you please—are being flung to the four winds without regard to securing value therefor is a matter of common knowledge, as every community in the Nation can testify.

What is not generally known outside Washington, however, is that this squandering and waste and inefficiency has been raised to the nth degree in the headquarters organizations of the many alphabetical agencies. Verification of this condition from an employee of the Resettlement Administration, who, of course belongs to the Demo-

cratic Party, otherwise he would not have the job he holds, came to me sometime ago in the form of a letter, which I quote in part as follows:

We have winked at spending thousands until the music must be faced.

Why not begin in sincerity by trimming some of the useless and worthless agencies? And, for the sake of common decency, begin with the Resettlement Administration, where—

1. The Administration pay roll has reached \$2,000,000 per month.

2. Thirteen thousand chairwarmers are doing and duplicating each others' work—and nearly all of it useless work.

Third. Eight hundred and ninety-four persons in the administration engaged in "management", but so far no one has been able to find out what they manage.

Fourth. More than 3,500 employees of Resettlement are receiving salaries in excess of civil-service ratings—all because they have pull and friends.

Fifth. The Administration's construction division is spending for labor to the tune of \$30,000 per day—enough to build at least 10 low-cost houses, but does not build 10 houses a month.

Sixth. Hundreds of the higher salaried employees know that they are on dignified relief, but why dish out relief at the rate of \$2,500 to \$5,000 per year per person?

Seventh. Of all the headaches the present administration will have will be the one when the public finds out what a disorganized, far-flung, wasteful agency the Resettlement is.

Eighth. You may be interested in knowing that many have left the Resettlement to save their self-respect, and the writer of this will do so soon.

The report of the committee, submitted by Mr. Bell, Acting Director of the Bureau of the Budget, containing information relative to the program of the Resettlement Administration is most illuminating. This information was obtained from statements furnished by Professor Tugwell, the administrator himself. The report will be found on pages 705 to 707 of the hearings and a reading of this report will, I believe, confirm the information conveyed to me in the letter quoted above.

The Resettlement Administration is the agency referred to as "Utopia unlimited" in a series of articles appearing recently in the Washington Post. It is an agency established without specific authorization of Congress and was brought into existence by Executive order of the President. To this activity, or shall I say "inactivity" has been allocated by the President the staggering sum of \$278,347,171.29. With this money, or a part of it at least, Professor Tugwell has proceeded to employ, according to his report, 16,943 persons at an aggregate expense to the taxpayers each year of \$24,380,985 for salaries alone.

Thirteen thousand four hundred and eighty-one of these individuals are employed "in the field"; so, of course, travel and subsistence expense for them must be no small item. The Resettlement Administration has all the powers of a government within a government, and Professor Tugwell can hire and fire to his heart's content, although it would seem that the gentleman knows much about hiring, but mighty little about firing.

As nearly as we can gather from the sentimental and gushing pronouncements regarding its origin and purposes, emanating from its publicity division, the philosophy pursued is that by shifting people around from where they are to where Dr. Tugwell thinks they ought to be, somehow in the process the subjects of his experimentation will realize the "more abundant life."

An illustration of this theory working out in practice is seen in the Matanuska Valley project in Alaska, involving transfer of 200 families from Michigan, Wisconsin, and Minnesota, where they had established themselves, to the rim of the Arctic Circle, where they were allotted farms of 40 acres per family upon which they, I understand, assumed mortgages of \$6,000 each, not one of which can ever be paid, even in part, but where, according to the "brain trusters", agricultural conditions are almost ideal.

To date the Government has spent approximately \$18,000 per family. Not a crop has been raised, and already 33 families have thrown up their hands, given it up as a bad job, and have returned home. It is prophesied by one of Alaska's newspapermen, who has been there for years and who knows the situation far better than any theoretical bureaucrat in Washington can possibly know it, that very

few of the colonists will be in Matanuska at this time next year.

The Matanuska experiment is only one of many under way. Information coming to us regarding these other projects is replete with instances of similar unsatisfactory conditions which point to ultimate failure, with the result of shocking waste of the public funds with no permanent benefit to anyone.

An even more startling discrepancy between the cost to the taxpayers and the benefits to the recipients of the favors being spread around greets the inquirer who looks into the fiscal affairs of Professor Tugwell's Administration. Administration costs have been, according to the best information I can secure, \$13,000 to provide benefits to the needy of less than \$2,500. The reason for this is vividly set forth in the letter from which I quoted earlier in my remarks. This would seem to indicate that the relief extended by this agency is confined principally to the relief extended to those upon the Resettlement pay roll.

The daily statement of the United States Treasury dated April 20, 1936, disclosed the fact that, of the money allocated to the Resettlement Administration, there was of that date the sum of \$173,646,075.56 unexpended. If the Committee is really desirous of securing the amount of money called for by the President—which, of course, the bill will not provide—I suggest that they induce President Roosevelt to issue an Executive order putting an end to the fantastic activities of the Resettlement Administration, fire bodily Professor Tugwell himself and all his 16,943 assistants, and cover back into the Treasury's general fund the \$173,646,000 while this sum is still available.

There is a well-known axiom that "a dollar saved is a dollar earned." Here is an opportunity to actually secure this magnificent amount of money without delay and without taxing our people in this amount. I commend this suggestion to the earnest consideration of the majority members of the Committee.

There are many other activities of the Administration, entirely without congressional sanction, involving the expenditure of hundreds of millions of dollars, of no economic need or benefit, and which cannot be justified even upon a basis of extending relief to the unemployed.

Certainly, in the expenditure of the taxpayers' money for public works, some regard should be shown for the necessity of the project. We should, at least, attempt to secure a dollar's worth for every dollar spent. In every community in this country there are schools which should be built; roads constructed; grade crossings built, in order to protect the lives and property of our people; sewers built and extended, that the health of our communities may be further protected. There are other projects which can be undertaken with the knowledge that the coming generations, who will be called upon to pay much the larger part of all this, will receive some benefit from these expenditures. Work projects should be confined to activities of this character; boondoggling should cease.

Nor should there be begun other projects such as the Florida ship canal or the automobile highway now being built down the Florida Keys, without the contribution of a single penny by the State of Florida and about which no information can be secured in the city of Washington, but which will cost many millions of dollars of the money of the people of all the States.

While the former is an engineering feasibility, the usefulness of the canal, if it is ever completed, will never be such as to, even in a small part, justify its cost, if the opinion of shipping officials can be relied upon.

Passamaquoddy, the economic joke of all the many economic jokes of this administration, which the President, after allocating several million dollars for its development out of the four billion eight hundred and eighty million the Congress so obligingly placed in his hands, has dumped the whole proposition into the lap of Congress and is now demanding that we accept the responsibility and furnish the funds for its completion. Congress has wisely declined to do this.

Mr. Chairman, various engineers from time to time have surveyed this proposition and in every instance have refused to put their stamp of approval upon its possible economic success. The declared purpose of the development is the production of electricity. Every engineer with any knowledge of the facts and the cost of this development will agree that electricity so developed will cost several times as much as it can be purchased for now at that point.

I suggest that anyone in doubt as to the accuracy of this statement take the trouble to examine the books. They will find that in order to justify this expenditure, one-third of the cost is being charged to "relief", one-third to the production of electricity, and one-third to "the national defense." Just how this development will contribute to the national defense has not as yet been disclosed. Is it any wonder that the President has repudiated this brain child and its twin, the Florida canal, and that Congress has refused to take unto its bosom these two unfortunate children left on its doorstep?

I think we all remember the avidity with which the administration seized upon the creation of the great "shelter-belt" of forest a mile wide and running north and south for 1,100 miles through the Prairie States. Presenting, as it did, another funnel through which could be poured into the administration's economic ashcan many other hundred millions of dollars of the taxpayers' money, it was received with enthusiastic acclaim by the spenders of the administration. This proposal, accepted without investigation, and without the realization that a shelterbelt of trees even a mile wide would furnish little protection to that great expanse of prairie land, was heralded as the solution of the dust storms which have so sorely beset that section of the country in the last few years. Fortunately for the taxpayers, and before much money had been expended, the difficulties of making trees grow in that land, upon which trees, as we in Michigan know them, had never grown, together with the belated realization of the utter absurdity of the whole thing, became so apparent that it evidently has been abandoned. It is difficult to find anyone in the administration who even wishes to talk about it.

Other activities of the administration, both unwise and expensive should, it seems to me, be given consideration at a time when this House is considering a proposition of further increasing the tax upon our people. Certainly we who are sent here from the four corners of this great land to look after the economic welfare of the people who send us here, should not in the slightest degree unnecessarily increase the burdens of those whom we represent. If by properly conserving the money already at our disposal, if by eliminating every expense not necessary to our economic life, if by eliminating boondoggling activities, if by refusing at this time to construct great works at a cost of hundreds of millions in the mere hope that in the dim and distant future they may contribute to the economic welfare; if by doing these things we may meet the financial obligations of the Nation without adding to the tax burdens of our constituents, should we not do so?

Mr. Chairman, one cannot address himself to this subject, it seems to me, and bring every relevant thing into the picture without referring at some length to certain activities now being engaged in by the administration, which vitally affect the everyday life and the economic welfare of the great agricultural class of the country. It is conceded by every informed person, I think, that upon the welfare of the farmers depends in large degree the welfare of all other classes of our citizenship.

That the administration appears to recognize this fact seems to be indicated by some of the things that have been done in the name of agricultural relief. However, certain other things have been and are now being done which more than offset all the good which the American farmer may have received through the medium of the A. A. A. contracts.

I refer to two things, Mr. Chairman: First, while with one hand we have been taxing our people on the very necessities of life, through the processing taxes, to raise the money with which to pay the farmers for taking millions of acres of

good farm land out of production, we are with the other hand spending hundreds of millions in the West to bring into production other millions of acres, which up to this time have produced nothing of agricultural value.

It is a recognized fact that these arid sections can, under irrigation, year after year produce more than can be produced on the nonirrigated sections, and why not? Sunshine pours down on them every day, all day. Under irrigation, whenever water is needed, it is turned on; when enough is had, it is turned off. These conditions eliminate many of the hazards of farming.

These lands are valuable, of course. There is no question but that they will be needed in the future when our population shall have increased to the point where the farms now available and now producing can no longer supply the food necessities of our people. But how can we justify taxing our people, our already overburdened farmers, if you please, in order that we may bring into existence these great irrigation projects which can only intensify the almost insurmountable difficulties which already face these farmers?

The other thing to which I referred a moment ago, Mr. Chairman, is the problem presented to the farmers and to the country by the so-called fair-trade agreements under which we are surrendering our markets to the foreign producer. A study of our imports during the last year and a half discloses some very disturbing information. The increase in imports of farm products in the past year is shocking. The following information discloses the seriousness of the situation:

At this point, Mr. Chairman, I shall insert tables showing the imports and exports of certain farm products for the years 1934 and 1935. I commend them to the attention of the Members of the House.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. WOODRUFF. I prefer not to yield.

Mr. BUCK. I wish the gentleman would clarify the official nature of these tables; are they official tables?

Mr. WOODRUFF. They are taken from the official reports.

The tables referred to follow:

	1934	1935
<b>Exports:</b>		
Wheat.....bushels.....	35,000,000	20,000,000
Tobacco.....pounds.....	427,000,000	341,000,000
Lard.....do.....	66,000,000	10,000,000
Pork.....do.....	140,000,000	120,000,000
<b>Imports:</b>		
Butter.....do.....	680,000	21,000,000
Fresh beef.....do.....	233,000	4,575,000
Fodder.....do.....	113,000,000	354,000,000
Total meats.....do.....	40,546,000	73,763,000
Wheat.....bushels.....	10,596,000	23,603,000
Rice.....pounds.....	35,411,000	80,376,000
Beans.....do.....	12,500,000	35,600,000
Tomatoes.....do.....	46,000,000	77,000,000
Onions.....do.....	3,900,000	13,500,000

Mr. WOODRUFF. It will be seen that while there was a substantial reduction in our exports, there was a shockingly large increase in our imports of these agricultural commodities. Certainly, any program which permits the farmer to be assailed upon the one hand by the foreign producers, and upon the other by the competition of an always increasing number of irrigation projects, which he is taxed to pay for, can hardly be considered a program wholly in his interest.

Mr. Chairman, it seems to me that the proposed repeal of the corporation-income tax, the capital-stock tax, and the excess-profits tax, with the definite loss of \$1,100,000,000 revenue, and the enactment of an entirely new system of taxation is, in view of the acknowledged uncertain productivity of the latter, an undertaking so hazardous in these days of enormous and profligate expenditures as to make it most unwise. Many of the older Members will remember the difficulties we have had in stopping the holes in the law through which taxpayers have escaped a fair tax. After many years of effort we have produced a law which is fairly satisfactory.

In this bill we are embarking upon another long period of experimentation. Not in the history of the world, so far as we know, has any nation found such a law satisfactory. The bill presents heretofore unknown tax complexities. Its one certain accomplishment will be the employment of vast numbers of lawyers to aid the taxpayers in unraveling the mysteries and the technicalities presented. I prophesy the early repeal of the law, and that instead of being known to future generations as the "Revenue Act of 1936" it will be known as the act to relieve the legal profession.

Mr. Chairman, the public is supposed to believe that the purpose and effect of this bill is to force dividends out of the treasuries of the corporations into the pockets of the rich, thereby forcing those with large incomes into higher income-tax brackets, and compelling them to pay a much larger share of the tax of the country than they have heretofore paid. I do not believe it will have this effect, for reasons I shall now present.

The income tax, with its exemptions and its graduated scale of taxation, is in my judgment the fairest tax that has yet been devised. Its purpose, of course, is to compel every taxpayer to pay in proportion to his ability to pay. It has been successfully applied up to a certain point. Unfortunately the existence of tax-exempt bonds of the Federal Government, the States, and all political subdivisions thereof present an avenue of escape for taxpayers in the higher brackets, thereby preventing the application of the tax upon the very wealthy in full measure. I shall at this point place in the RECORD the tables supplied the committee, at my request, showing the wholly tax-exempt and partially tax-exempt securities outstanding and available to those who desire to escape the higher income taxes.

Tables showing rates and amounts of tax on individuals for 1936 incomes

[Federal Revenue Act of 1934, as amended by Revenue Act of 1935; married person, personal exemption \$2,500; maximum earned income credit of \$14,000 is used; incomes of less than \$14,000 are treated as all earned]

1	2	3	4	5	6
Net income	Normal tax rate (percent)	Surplus rate (percent)	Normal tax plus surplus rate (percent) <sup>1</sup>	Total tax	Ratio of total tax to net income
\$1,000.....					
\$1,500.....					
\$2,000.....					
\$2,500.....					
\$3,000.....	4			\$8	0.003
\$3,500.....	4			26	.007
\$4,000.....	4			44	.011
\$4,500.....	4			62	.014
\$5,000.....	4			80	.016
\$5,500.....	4			\$98	.018
\$6,000.....	4			116	.019
\$6,500.....	4			134	.021
\$7,000.....	4	4	8	172	.025
\$7,500.....	4	4	8	210	.028
\$8,000.....	4	4	8	248	.031
\$8,500.....	4	4	8	286	.034
\$9,000.....	4	5	9	329	.037
\$9,500.....	4	5	9	372	.039
\$10,000.....	4	5	9	415	.042
\$12,000.....	4	6	10	602	.050
\$14,000.....	4	7	11	809	.058
\$16,000.....	4	8	12	1,044	.065
\$18,000.....	4	9	13	1,299	.072
\$20,000.....	4	11	15	1,589	.079
\$22,000.....	4	13	17	1,919	.090
\$26,000.....	4	17	21	2,699	.104
\$32,000.....	4	19	23	4,020	.126
\$38,000.....	4	21	25	5,479	.144
\$44,000.....	4	24	28	7,084	.161
\$50,000.....	4	27	31	8,869	.177
\$56,000.....	4	31	35	10,869	.194
\$62,000.....	4	35	39	13,109	.211
\$68,000.....	4	39	43	15,589	.229
\$74,000.....	4	43	47	18,309	.247
\$80,000.....	4	47	51	21,269	.266
\$90,000.....	4	51	55	26,669	.296
\$100,000.....	4	55	59	32,469	.325
\$150,000.....	4	58	62	63,394	.423
\$200,000.....	4	60	64	95,344	.477
\$250,000.....	4	62	66	128,294	.513
\$300,000.....	4	64	68	162,244	.541
\$400,000.....	4	66	70	232,194	.580
\$500,000.....	4	68	72	304,144	.608
\$750,000.....	4	70	74	489,094	.652
\$1,000,000.....	4	72	76	678,044	.679
\$2,000,000.....	4	73	77	1,449,019	.724
\$5,000,000.....	4	74	78	3,788,994	.758
Over \$5,000,000.....	4	75	79		

<sup>1</sup> As a general rule, column 4 should be used to determine whether it is preferable to invest in a taxable or a tax-free security.

TABLE 45.—Amount of securities outstanding, interest on which is exempt from normal income tax, but not surtax, of the Federal Government, June 30, 1918 to 1935, by direct obligor

NET OUTSTANDING ISSUES<sup>1</sup>  
[000,000 omitted]

Year	Total	U. S. Government	Reconstruction Finance Corporation	Home Owners' Loan Corporation	Federal Farm Mortgage Corporation
June 30—					
1918.....	\$9,560	\$9,560			
1919.....	22,312	22,312			
1920.....	20,756	20,756			
1921.....	20,491	20,491			
1922.....	20,076	20,076			
1923.....	19,351	19,351			
1924.....	18,343	18,343			
1925.....	17,572	17,572			
1926.....	16,636	16,636			
1927.....	15,388	15,388			
1928.....	14,367	14,367			
1929.....	13,616	13,616			
1930.....	11,429	11,429			
1931.....	11,714	11,714			
1932.....	11,902	11,902			
1933.....	11,848	11,848			
1934.....	14,874	13,678	\$235	\$737	\$224
1935.....	17,135	13,336	250	2,476	1,673

<sup>1</sup> "Total outstanding issues" less "Held in U. S. Government trust funds, or owned by U. S. Government or by governmental agencies." The U. S. Government and its agencies issuing this type of bonds maintain no sinking fund in which bonds are held alive.

I am also placing in the RECORD at this point a table prepared by Prentice-Hall, Inc., of 70 Fifth Avenue, New York, which will be helpful in a study of this question. The accuracy of this table has not been and cannot be successfully challenged.

EXTRACT FROM THE ANNUAL REPORT OF THE SECRETARY OF THE TREASURY ON THE STATE OF FINANCES FOR THE FISCAL YEAR 1935

TABLE 44.—Estimated amount of securities outstanding, interest on which is wholly exempt from normal income tax and surtax of the Federal Government, June 30, 1913 to 1935, by type of obligor

NET OUTSTANDING ISSUES<sup>1</sup>  
[000,000 omitted]

Year	Grand total	States, counties, cities, etc.			U. S. Government	Territories and insular possessions	Federal farm loan system
		Total	Long term	Short term			
June 30—							
1913.....	\$4,889	\$3,887	\$3,643	\$244	\$966	\$36	
1914.....	5,245	4,242	3,966	276	967	36	
1915.....	5,652	4,644	4,336	308	969	39	
1916.....	6,058	5,049	4,709	340	970	39	
1917.....	8,127	5,371	4,999	372	2,711	45	
1918.....	8,104	5,622	5,218	404	2,383	45	\$54
1919.....	8,925	5,951	5,515	436	2,791	46	137
1920.....	10,033	6,645	6,177	468	3,105	48	235
1921.....	10,519	7,268	6,768	500	2,927	57	267
1922.....	11,368	8,415	7,884	531	2,286	76	591
1923.....	12,378	9,015	8,557	458	2,285	118	960
1924.....	13,458	9,921	9,407	513	2,284	125	1,128
1925.....	14,649	10,975	10,280	695	2,165	125	1,334
1926.....	15,487	11,672	11,154	518	2,154	133	1,528
1927.....	16,587	12,610	12,070	540	2,154	138	1,685
1928.....	17,515	13,452	12,834	618	2,155	146	1,762
1929.....	18,423	14,358	13,423	935	2,157	146	1,762
1930.....	21,346	15,887	14,672	1,215	3,540	154	1,765
1931.....	23,768	17,457	15,999	1,458	4,384	148	1,779
1932.....	26,409	17,828	16,218	1,610	6,771	136	1,674
1933.....	28,556	17,072	15,876	1,196	9,765	131	1,588
1934.....	30,409	16,771	15,824	947	11,645	123	1,870
1935.....	31,285	16,895	15,810	1,085	12,801	118	1,471

<sup>1</sup> "Total outstanding issues" less "Held in U. S. Government trust funds, or owned by U. S. Government or by governmental agencies" and "Held in sinking funds."

For instance, a taxable income of \$250,000 represents an investment of \$4,333,333 in business and productive enterprise at a dividend rate of 6 percent. The income tax on this \$250,000 is \$128,294. This sum, subtracted from the \$250,000, leaves a balance or net income of \$121,706 on the investment. The same sum invested in tax-exempt securities at 3½ percent would net the taxpayer \$143,892, or \$22,186 more than he would receive if he should leave his money invested in enterprises which provide jobs for American wage earners. In other words, the present conditions and the availability of tax-exempt securities as an avenue of investment present to the taxpayer with this amount of money to invest an inducement of \$22,186 per year to invest

his money in the last-named securities. The larger the sum available for investment, the larger the inducement to the taxpayer to take his money out of productive enterprise.

I will insert in the RECORD at this time a short table showing how rapidly this inducement increases in amount as the sum invested becomes larger:

Taxable income derived from investment at 6 percent	Tax	Net income after tax	Yield from investment of same capital in 3½-percent bonds	Inducement to invest in tax-exempt bonds
\$250,000	\$128,294	\$121,706	\$143,892	\$22,186
\$500,000	304,144	195,856	291,666	95,810
\$1,000,000	679,044	320,956	583,333	262,377
\$2,000,000	1,449,019	550,981	1,166,666	1,115,685
\$5,000,000	3,788,994	1,211,006	2,916,666	1,705,660

There is another inducement which the prudent investor rarely overlooks, and that is the fact that there are none of the hazards of business connected with investment in carefully selected tax-exempt securities. The result of this situation is that by far the larger share of the more wealthy citizens do not today have their money invested in corporations, their income from which would be subjected to the higher income-tax brackets. A certain amount is so invested, yes; but when it becomes profitable to enter the avenue of tax escape through this other line of investment, the way is open, the hand of economy, frugality, thrift, careful management of resources, selfishness—whatever you care to call it—beckons and the taxpayer enters.

Mr. Chairman, there is nothing the Congress can do about this so long as it remains possible for the Federal Government, the States, and the subdivisions of the States to issue bonds and other securities the income from which is immune from taxation. Neither the measure before us nor any other law the Congress can enact can in itself change this situation. The 48 States of this Union constitute the only authority which can put an end to this intolerable condition. And they can only do so after the Congress has adopted and sent to them a constitutional amendment correcting this situation.

At different times, before and since the inauguration of President Roosevelt, he has directed attention to this situation and made note of the fact that many of our more wealthy people were, through this medium, escaping their fair share of the national tax burden. In his tax message of June 19, 1935, he made the following statement:

I renew, however, at this time the recommendations made by my predecessors for the submission and ratification of a constitutional amendment whereby the Federal Government will be permitted to tax the income on subsequently issued State and local securities, and likewise for the taxation by the State and local governments of future issues of Federal securities.

At the time the President sent this message to Congress the law provided a maximum of 55-percent surtax on individual incomes. That he was fully alive to the ineffectiveness of the higher surtaxes is indicated by his statement quoted above. And yet in that same message he stated:

The disturbing effect upon our national life that comes from great inheritances of wealth and power can in the future be reduced, not only through the method I have just described but through a definite increase in the taxes now levied upon very great individual net incomes.

He knew, of course, that surtaxes as high as 55 percent were ineffective; that they had already driven hundreds of the larger income owners into the tax-exempt field; that we were not even then securing the amount of revenue from the rich we had every right to expect; he must have known that to raise the surtaxes before a constitutional amendment had been submitted to and adopted by the States would result in driving hundreds of others to the protection of the tax-exempt fields of investment, with a consequent loss to the Treasury. But that bill, my friends, was to be known to all and sundry as the great Roosevelt "soak the rich" tax bill; the uninformed were to be convinced that the millennium had arrived, and that at last this class were to be compelled

to bear their share of this tax burden. To convince them of this it was necessary that the surtaxes be again boosted so that the orators of the party could go forth in the following election and make their campaigns upon this false premise.

The last two Congresses have not without ample cause become known as "rubber stamp" Congresses. Our friends on the other side have without exception speedily enacted every measure seriously suggested to them by the President of the United States. There has been no time when rebellion in their ranks, regardless of their personal opinions, has in the slightest degree threatened the enactment of even one of the well-known "must" measures. The President knows this. I am sure he has a high appreciation of the splendid cooperation he has received at the hands of Congress. I am sure, also, that he is fully aware that if he were to seriously ask the leaders of this House and the leaders of another body to put through the two Houses of Congress a resolution submitting to the States the constitutional amendment mentioned above it would be done immediately.

[Here the gavel fell.]

Mr. REED of New York. Mr. Chairman, I yield the gentleman from Michigan 5 additional minutes.

Mr. SAMUEL B. HILL. Mr. Chairman, will the gentleman yield?

Mr. WOODRUFF. I yield.

Mr. SAMUEL B. HILL. I ask the gentleman from Michigan how many of these so-called "must" bills the gentleman from Michigan has voted against.

Mr. WOODRUFF. I will say to my friend from the State of Washington that I believe I have voted against all of them during the last 2 years. I, along with a great many other good citizens of this country, believed the President of the United States when he subscribed to the Democratic platform which, among other things, provided that—

We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance, to accomplish a saving of not less than 25 percent in the cost of Federal Government.

Mr. SAMUEL B. HILL. The gentleman voted for most of the "must" legislation, did he not?

Mr. WOODRUFF. No; I have not voted for most of the "must" legislation. So far as I remember, I voted against all of them during the last two years and a half.

Mr. SAMUEL B. HILL. Did the gentleman vote against the N. R. A.?

Mr. WOODRUFF. I was persuaded to do so upon the promise of the President that if after trying an experiment and finding it unsatisfactory he would abandon it. It seems that none of the New Deal experiments have been unsatisfactory except the shelterbelt, as none of the others have willingly been abandoned.

Mr. SAMUEL B. HILL. Did the gentleman vote against the A. A. A.?

Mr. WOODRUFF. I voted for that, I will say to my friend from Washington.

Mr. SAMUEL B. HILL. And how about the tax bill of 1934?

Mr. WOODRUFF. Yes; I voted for that tax bill because I had not yet become persuaded that unrivaled extravagance and waste was to take the place of the promised economy. I, along with a great many other Members on this side of the House, during the first few months of the present administration, acting upon the belief we were going to have some sanity in government, some efficiency in the administration of the laws enacted by Congress, believing it was our patriotic duty to help rather than hinder the Presidential efforts to bring about better conditions for our people, voted to give the President what he asked for. By so doing we set an example to our Democratic friends which they can well follow after the coming election. It has not been forgotten that their actions during the last Republican administration were the reverse of ours.

Mr. SAMUEL B. HILL. Did the gentleman vote for the Federal Deposit Insurance Corporation and the banking legislation?

Mr. WOODRUFF. I may say that I was very happy to vote for the Federal deposit-insurance law because for years I had advocated such a law. I think it is one of the finest laws that has been put upon statute books of this country in many years.

Mr. WOLCOTT. Will the gentleman yield?

Mr. WOODRUFF. I yield to the gentleman.

Mr. WOLCOTT. May I make the observation that the Federal Deposit Insurance Act was passed by this House against the wishes of the President of the United States. It was not on the "must" list.

Mr. WOODRUFF. I am very glad the gentleman called attention to that fact.

Mr. MCCORMACK. That is evidence that the Congress is not a complete rubber stamp.

Mr. WOODRUFF. I may say there are exceptions possibly that prove all rules. May I call the attention of the gentleman from Washington to the fact just called to my attention by the gentleman from Michigan [Mr. WOLCOTT]. I am glad to be able to confirm what the gentleman said because I was informed by one of the very eminent Members on that side of the House that this Congress passed the F. D. I. C. over the violent protest of the President of the United States.

Mr. SAMUEL B. HILL. I never heard of that and the President did approve the bill.

Mr. WOODRUFF. We know that no President in his good senses could possibly have disapproved a bill of that character.

Mr. REED of New York. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. WOODRUFF. Mr. Chairman, may I say, too, in that connection that the country pretty generally and very properly credits the junior Senator from the great State of Michigan [Mr. VANDENBERG] with being responsible for the other body of this Congress having adopted that particular bill.

Mr. SPENCE. Will the gentleman yield?

Mr. WOODRUFF. I have already taken up too much time, but I yield to the gentleman.

Mr. SPENCE. May I suggest to the gentleman that the Republican platform of 1932 violently criticized the F. D. I. C.

Mr. WOODRUFF. I do not recall that, but the gentleman will agree with me that the junior Senator from Michigan is big enough, wise enough, and honest enough to follow his good judgment and his conscience in matters so vitally affecting the welfare of the American people.

The gentleman from Massachusetts [Mr. TREADWAY], 10 long years ago, introduced such a resolution. He has reintroduced it in each succeeding Congress. It is now reposing quietly in the Judiciary Committee of this House, and notwithstanding frequent urgings, the committee has up to this time declined to even hold hearings on the resolution. Does anyone think that should the President ask for the immediate consideration of this resolution that the amiable, distinguished chairman of that great committee would for one instant refuse such a request? We all know he would not. So, Mr. Chairman, what are we waiting for? Why are we not doing the thing we so clearly should do? Why does not the President send up a "must" message on this subject if he is seriously in earnest about this matter? Why is not this done now in order that the principle of the graduated income tax may apply to all alike, and that the rich as well as the poor may be taxed in proportion to their ability to pay? It has not been done up to now, and I am satisfied it will not be done at this time. Why it is not done, I shall leave to the majority to explain.

The bill before us is another measure similar to the tax bill of 1935, and is also designed to convince the uninformed that through this medium you are going to again soak the rich. All of us here must, of course, realize that this is just another case of "tilting at windmills", and that all other attempts of like character will be as barren of supposedly desired results as this.

Every Member of this House should know that the tax on the rich will not be increased. If there should be an in-

crease of revenue resulting from the enactment of the bill, it necessarily follows that this increased revenue will be paid by those other than the rich.

On yesterday the gentleman from New York [Mr. TABER] disclosed many ways in which revenue can be saved and not cripple any legitimate function of government nor withhold any necessary money for relief. I have suggested others, and I commend these suggestions to the Members of this House. Courageous, intelligent action along the lines suggested will make unnecessary any tax bill at this time. Such action would enable us to more nearly approach a balanced Budget than the bill before us, even though the revenue it produces far exceeds the fondest hopes of its proponents.

Mr. Chairman, I shall vote against this bill. I shall vote no more taxes upon an already overburdened people until such time as sanity in expenditures returns to this Government. Wild, wasteful, unnecessary spending seems to be limited only by the funds on hand or that can be raised by further increasing the national debt, which is now at a high peak for all time. These wasters, these "boondogglers", seem to forget that every dollar spent must be earned by someone. They forget that every dollar of tax extracted from the pockets of the toilers and others means \$1 less that can be spent for the necessities of life. They overlook the fact that as taxes increase, the standard of living of our people decreases. They have piled upon us debts that cannot be paid in a lifetime, and the end is not yet. Anticipating, I suppose, their future desire for the money, the administration asked and received at the hands of this complaisant Congress the authority to increase the national debt to \$45,000,000,000, and this, my friends, is something for all of us to think about, but more particularly should the youth of the country ponder this and realize what such an eventuality will mean to them and the generations to come after them.

[Here the gavel fell.]

Mr. WOODRUFF. Mr. Chairman, I ask unanimous consent to extend my remarks and to include therein certain portions of the minority report.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WOODRUFF. Mr. Chairman, under this permission I insert in the RECORD a summary of the fundamental objections to the bill as reported in the minority report. I concur in these views. They are as follows:

#### SUMMARY OF OBJECTIONS

1. It will discourage and possibly prevent the accumulation of adequate rainy day reserves and constitutes a direct threat to the security of business, employment, and investments.
2. It will cause corporations to restrict the distribution of their existing tax-paid reserves, which can only be rebuilt under penalty.
3. It will discourage business rehabilitation and expansion and have a retarding effect upon recovery and reemployment.
4. It will hamper the growth of small corporations, impede the development of new enterprises, and foster monopolies.
5. It puts a penalty on prudence and a bounty on improvidence and constitutes an unwholesome interference with the exercise of sound judgment in the management of business.
6. It will accentuate the extremes of future booms and depressions.
7. It will oppress businesses burdened with debts and will result in a restriction on corporate credit.
8. It will drive capital out of productive enterprise into tax-exempt securities.
9. It violates every sound principle of income taxation, is arbitrary and oppressive in its application, and will be unequal and discriminating in its operation.
10. It will crucify financially weak business enterprises, while permitting the strong to minimize or entirely escape the tax.
11. It will create inequities and unfair competitive situations which are far greater and more real than the imaginary ones it purports to correct.
12. It will result in the double taxation of all dividends paid out of reserves, whether accumulated in the past or in the future.
13. It will cause untold confusion and add bewildering complexities both in the computation and administration of the tax.
14. It abandons an assured revenue of \$1,100,000,000 annually for one purely speculative and uncertain, and which promises to be most disappointing in amount, thereby further jeopardizing the Federal revenue.

Mr. TREADWAY. Mr. Chairman, I yield such time as he may desire to the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Mr. Chairman, it is not with any thought that I can hope to add to the very able and thorough presentations of the pending tax bill by preceding speakers that I take the floor at this time, but it is rather for the purpose of explaining my position that I do so.

From the moment that the President sent his tax message to Congress on March 3, I have maintained that the imposition of new taxes at this time is both unwise and unnecessary. Unwise in that additional taxes will very materially retard recovery; unnecessary in that it is possible for the administration to effect such economies in the conduct of the Government as to obviate the necessity for new taxes at this time.

I yield to no Member of the House in my desire to place the finances of the Government upon a sound business footing. I am in favor of going onto a pay-as-we-go basis. That would be good business. There is no doubt in my mind that we are wasting much more money than we can hope to raise through the passage of this measure.

Mr. HOOK. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Michigan.

Mr. HOOK. I notice the gentleman mentioned the fact he was in favor of the pay-as-we-go basis.

Mr. KNUTSON. Yes.

Mr. HOOK. I should like to ask the gentleman whether his party was in favor of that proposition when they turned over the \$5,000,000,000 deficit to the present administration?

Mr. KNUTSON. May I say to the gentleman that when we took over the Government from the Democrats in 1921 the national debt was in excess of \$25,000,000,000. When we turned it back to you in 1933 the national debt was only \$21,000,000,000. [Applause.]

Mr. HOOK. What was the national debt when it was turned over by the Republican Party to the Wilson administration?

Mr. KNUTSON. We owed about a billion dollars.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Massachusetts.

Mr. TREADWAY. Will the gentleman make an estimate of what he expects the Democratic debt will be when the Democratic Party turns the Government back to the Republican Party next January?

Mr. KNUTSON. I cannot answer that question, because I am not a crystal gazer; but I may say it will be plenty. The chances are that by the 1st of July the total Federal debt will be three and a half billion dollars in excess of the total value of all the farms, buildings, and farm equipment in the United States, which is not a very pleasant situation to contemplate.

Mr. McCORMACK. Will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. All that the gentleman says about the national debt in 1921 is substantially correct. But does the gentleman now criticize the Government for the necessity of incurring the national debt which grew out of our participation in the World War?

Mr. KNUTSON. May I say to the gentleman from Massachusetts that I voted against our going into the World War because I believed in helping the Democrats keep the promise which they made to the American people in the campaign of 1916 to the effect that "a vote for Woodrow Wilson is a vote to keep the American people out of the war", and I considered that a plebiscite.

Mr. McCORMACK. Of course, the gentleman has not answered the question. Does the gentleman condemn and criticize the expenses which this Government incurred in connection with the conduct of the World War?

Mr. KNUTSON. Yes, sir. Look at Hog Island and all the other grafts connected therewith. I maintain that we should have stayed out of the World War.

Mr. McCORMACK. The gentleman is speaking for his party?

Mr. KNUTSON. My dear sir, the scandals that grew out of the corruption and mistakes of the World War smelled to the high heavens.

Mr. McCORMACK. Is the gentleman speaking for his party?

Mr. KNUTSON. I am speaking for myself. I do not assume to speak for my party; no.

Mr. CRAWFORD. Will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Michigan.

Mr. CRAWFORD. If I remember the figures correctly, the report of the United States Treasury showed that when we entered the war in 1917, we had a Federal debt of \$1,250,000,000.

Mr. KNUTSON. That is substantially correct.

Mr. CRAWFORD. Which rose to about \$26,000,000,000.

Mr. KNUTSON. Yes.

Mr. CRAWFORD. During the Republican administration, between 1920 and 1932, that debt was reduced down to about sixteen and one-quarter billion dollars.

Mr. KNUTSON. That is correct.

Mr. CRAWFORD. And taxes were reduced some four or five times during that period.

Mr. KNUTSON. That is true.

Mr. CRAWFORD. Now, in connection with this tax bill, we are starting out with a debt, we will say, at the present time of \$32,000,000,000.

Mr. KNUTSON. I thought it was a little more than that.

Mr. CRAWFORD. Thirty-four and a half billion dollars, I am informed, on June 30 of this year. During the period from 1913 to 1934, we paid out in interest on Federal debt, in round figures, \$14,000,000,000.

Now, if recovery is accomplished during the next 3 or 4 years, and we start out with a base debt of \$34,000,000,000 at the present time, and interest rates go up materially—we are now borrowing money at as low a rate as three-fourths of 1 percent—what will our interest burden be in the next 15 years, and how much additional tax will have to be imposed upon the American taxpayer in order to meet the interest load alone?

Mr. KNUTSON. I would suggest to my good friend from Michigan that he propound that question to some astronomer, because it would take astronomical figures to answer it.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. REED of New York. The amount of \$34,500,000,000, according to the Director of the Bureau of the Budget, does not include the \$6,000,000,000 of commitments.

Mr. KNUTSON. That is true. The debt will be substantially about \$40,000,000,000 if we include the commitments.

Mr. REED of New York. And it does not include the cost of completing the projects started under the boondoggling fund of \$4,000,000,000 which have just been started, where there is a moral, if not a legal, obligation to continue such projects. Only the starting of these projects has been paid for, and the balance will fall on the next generation of taxpayers.

Mr. KNUTSON. I do not want to take the position of maintaining that a certain amount of relief is not necessary. On both sides of the aisle we want to take care of the worthy needy, but what we do object to is that for every dollar we spend for relief half of it goes to the cost of administration, and we consider that excessive. [Applause.]

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from New York.

Mr. REED of New York. The gentleman will recall the mayor of Pittsburgh, who appeared before the Ways and Means Committee and finally was not permitted to go ahead with his testimony, and the gentleman will recall the eminent Mr. Johnson, a fine, splendid, educated, and cultured gentleman, who had been in business all his life, who stated he was not appearing there in a partisan capacity at all. He said that 50 cents out of every dollar spent in Pennsylvania by

this administration on public works and boondoggling had been totally wasted.

Mr. McCORMACK. Is that Andy Mellon's side-kick the gentleman is referring to?

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield to my colleague on the committee.

Mr. VINSON of Kentucky. The gentleman has referred to the debt reduction that was made after his party took charge in 1921. I am certain the gentleman from Minnesota, who is eminently fair, will recognize the fact that more than three and a half billion dollars of the debt reduction is evidenced in the sale of surplus war supplies and principal and interest payments on foreign loans received during that period.

Mr. KNUTSON. Well, I did not attempt to break it down, and I thank the gentleman for having broken it down for me.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I am always pleased to yield to my good-natured friend from Massachusetts.

Mr. McCORMACK. The gentleman favors relief at the present time, does he not?

Mr. KNUTSON. Yes.

Mr. McCORMACK. Did the gentleman's party give relief prior to the inauguration of President Roosevelt?

Mr. KNUTSON. Oh, I think so; yes.

Mr. McCORMACK. Where?

Mr. KNUTSON. All over the country.

Mr. McCORMACK. You relieved the big fellow, but what did you do for the fellow out of a job?

Mr. KNUTSON. Oh, the same old cry.

Mr. McCORMACK. The same old Republican cry, "Let the poor fellow take care of himself and suffer", and the gentleman knows that is correct. The Federal Government never appropriated a penny to relieve human suffering and distress prior to March 4, 1933.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. Certainly; I yield to my chairman.

Mr. DOUGHTON. I just want to remind my friend the gentleman from New York [Mr. REED], a member of the Ways and Means Committee, who referred to the testimony of the mayor of Pittsburgh, that somewhere or other I have seen it stated in the papers since that time that they have had him in jail.

Mr. REED of New York. I am not surprised—he is a leading Democrat of that city. [Laughter.]

Mr. KNUTSON. And it is my information he is coming to Congress next year.

Mr. VINSON of Kentucky. As a Republican?

Mr. KNUTSON. No; as a Democrat.

Mr. VINSON of Kentucky. Oh, no.

Mr. KNUTSON. A Jeffersonian Democrat, but not a new dealer.

We are told that one of the primary purposes of this bill is to compel the distribution of corporate reserves. Is that wise? Every Member of this body knows of some business organization that has been enabled to operate during the depression because it had a reserve to fall back upon. According to the Department of Commerce, American business, from 1930 to 1934, inclusive, paid out twenty-six and six-tenths billions more than they took in. This they could not have done had they not had reserves to draw upon. Bear in mind that this vast sum was paid out for labor, taxes, and raw material. Had these reserves not been available many and many would have been compelled to close down, and that would have greatly aggravated our already serious unemployment and relief problems.

There are those who labor under the impression that these surpluses have not paid any taxes to the Government, when as a matter of fact there was paid upon all of them a Federal tax running from 12½ to 15 percent. With the proposed tax law in effect, I venture the prediction that the

next depression will result in much greater unemployment and in much smaller production than has obtained during this depression.

We hear a great deal said about reserves being piled up in order to avoid taxes. There doubtless are cases of that kind, but I venture the assertion, without fear of contradiction, that a large proportion of the reserves were built up for expansion purposes and to enable the company to weather economic storms. In short, reserves are nothing more or less than life-insurance policies of business.

Under the operation of this law hundreds of millions of dollars in dividends will be distributed to stockholders. Much of this money will go to individuals who are in the higher-income brackets. They will have to reinvest that money, and it does not take very much imagination to foresee that the greater part will be invested in tax-exempt securities, where it will no longer be available for operation and expansion of industry.

As I see it, this legislation is going to jeopardize small business. It is a significant fact that no big corporations are opposing this legislation, the reason being that the big corporations will have no difficulty in securing ample financing in future depressions. The opposition to this tax bill comes from smaller business concerns who do not have strong banking connections and they fear that they will have to throw themselves upon the mercy of the big banks for future financing. Those who will be unable to secure such financing must of necessity shut down and, of course, that will only benefit their big competitors. So it will be seen that this tax law will foster and promote monopolies. In support of this statement I call to your attention observations Mr. Noel Sargent, secretary, National Association of Manufacturers, made before the Ways and Means Committee, which are to be found on page 213 of the hearings. I quote:

I know of one manufacturer, for example, who tells me that his company and one other in his industry are in a sound financial position and that they are inclined to favor the pending proposal because it would drive their weaker competitors out of business.

In support of Mr. Sargent's statement let me quote a statement made by President Roosevelt last June:

The drain of a depression upon the reserves of business puts a disproportionate strain upon the modestly capitalized small enterprise. Without such small enterprise our competitive economic society would cease.

Then, again, I should like to quote from a radio address made by the chairman of the Ways and Means Committee on March 26, who, when speaking of the proposed new tax, said:

An ample part of earnings can be reserved for surplus without a higher tax being paid than is being paid under the present law.

It was testified to in the hearings on the tax bill that only three countries—Belgium, Sweden, and Norway—have ever had such a tax. I have taken the trouble to confer with Norwegian businessmen on how the tax has worked in that country, and without exception they state that it has operated to the injury of Norwegian industry because they now have difficulty in financing the replacement of obsolescent machinery and equipment, as well as for expansion. It may be pertinent at this point to state that Sweden repealed her tax on undistributed profits several years ago.

It is generally conceded that the Hollanders are among the shrewdest and most thrifty people. In Holland they have exactly the reverse of an undistributed earnings tax. There they levy a tax on profits distributed by companies to their shareholders. That is as it should be. That is sound.

Mr. SAMUEL B. HILL. Will the gentleman yield?

Mr. KNUTSON. I yield to my friend from Washington.

Mr. SAMUEL B. HILL. I want to call the gentleman's attention to the fact that he omitted mention of Norway.

Mr. KNUTSON. I have quoted a Norwegian businessman.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. KNUTSON. Yes.

Mr. VINSON of Kentucky. The gentleman does not distinguish any difference in principle between the Norwegian system, which uses the distribution of income as the yardstick, and that proposed here, which uses undistributed

income as the yardstick. In principle it is the same proposition.

Mr. KNUTSON. The principle may be the same but the effect is different.

Mr. VINSON of Kentucky. In this bill we have tables 1 and 1A. One (1) is where we take the undistributed income and work to the tax, and in the other (1A) we work from the dividend back to the tax.

Mr. KNUTSON. Let me answer the gentleman. In Norway they have such a law as we here propose. At the time when business was good in Norway they imposed a 10 percent tax on undistributed profits. The result was unsatisfactory and aroused general public opposition because it materially weakened the resistance of business and industry. As a result this tax has been reduced and very probably will soon be repealed in its entirety. As the gentleman knows, Norway is one of the large maritime countries of the world. As a result of the tax they have in Norway, shipping interests are unable to finance the building of new ships because they have no surplus to draw upon.

Now, I do not state this for a certainty, but my recollection is that as a result of the tax law Norway has lost control of the nitrate industry of that country. Being compelled to distribute the surpluses, when the time came to extend and replace equipment they were obliged to go abroad to do their financing.

One of the dangers that I see in this legislation—and if I am wrong I should like to have the gentleman from Kentucky [Mr. VINSON] set me right—is that it is going to put small business concerns that have no big banking connections absolutely at the mercy of the big banking crowd when the time comes when they must secure additional financing.

Mr. VINSON of Kentucky. I shall endeavor to meet that question in my own time. But going back to the shipping industry, the gentleman says that in Norway their law dealt with distribution, and hampered the shipping industry so that it did not have reserves or surplus with which to build up new ships. Does not that same thing apply under existing law here? Have the shipping interests here sufficient money to expand their business as they want to?

Mr. KNUTSON. No; they have not; because the law has handicapped them in their operations.

Mr. VINSON of Kentucky. I am speaking of this country.

Mr. KNUTSON. Oh, yes. Here they have been permitted under the law to build up surpluses that would carry them through a business stress.

Mr. VINSON of Kentucky. But they have not had enough money to expand as they want, and they have come to Congress and have asked subsidies insofar as the increase of ships is concerned.

Mr. KNUTSON. The gentleman must know that American shipping has never had a fair chance since the passage of the so-called Seamen's Act away back about 1916 or 1917. The restrictions that are placed upon American shipping under that act are so onerous that American shipping has never had a chance to develop as have English, German, French, Norwegian, and Japanese shipping.

Mr. VINSON of Kentucky. And that has been done under our existing tax structure.

Mr. KNUTSON. Oh, there is more than one way of skinning a cat. This particular cat was skinned by the Shipping Act of 1916. Our merchant marine has not had a chance to pile up a surplus because they did not do the necessary business to enable them to do so.

Mr. HOLMES. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. Yes; to my friend.

Mr. HOLMES. Is it not the gentleman's observation that most of these smaller business corporations are going to be at the mercy of the banks if this legislation is passed?

Mr. KNUTSON. Yes; this is a big banker's measure.

Mr. HOLMES. If they are to be called upon to pay up to 30 percent of their profits in taxes, and the banks force them to pay their bank loans, there will be thousands and thousands of bankruptcies of that type.

Mr. KNUTSON. What I fear from this legislation is that it will drive the small fellow to the wall the next time we

have a financial storm. Some of them will not last until the next storm. It may be, Mr. Chairman, that we are not taxing corporations high enough. I will not discuss that point, because I do not know, but if we are not taxing them sufficiently at the present time, then let us raise the rates up to 22½ percent or more, if need be, as has been proposed before the committee.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. Yes.

Mr. REED of New York. The gentleman will recall that a prominent banker from Chicago appeared before our committee, who is also on the finance committee of the United States Chamber of Commerce. He testified that if this bill passed in its present form it would be necessary for the banks in the country to reexamine all the loans they now hold against business enterprises.

Mr. KNUTSON. I am not a banker, so I cannot pass judgment on his testimony.

The gentleman can foresee the strain that will be placed on the American banking system if all industry, all business is compelled to go to the banks for financing at about the same time. You will absolutely freeze up your credit. That is another objectionable feature to this proposal, as I see it. You will drive all to the banks at one and the same time.

Mr. FULLER. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. Certainly. My friend from Arkansas is a banker, and perhaps he can throw some light on this phase.

Mr. FULLER. As I remember it, the gentleman is the only Republican on the committee that voted for the soil-conservation program this year. Is not that true?

Mr. KNUTSON. I voted for it.

Mr. FULLER. The gentleman also knows that most of the money has gone for this soil conservation, and to take care of the processing tax, in the interest of agriculture. Will the gentleman please tell us where he could figure out some way for us to get the money better than the program that we have selected?

Mr. KNUTSON. For a starter, I would put up on the auction block that Turkish bathhouse that you built for dogs down in Memphis.

Mr. FULLER. We will give it to you.

Mr. VINSON of Kentucky. Is that all the relief that the gentleman would give the farmer?

Mr. KNUTSON. I would use that as a starter, or as an example, and, as my good friend from Michigan [Mr. WOODRUFF] so well said, I would cut out some of these irrigation projects that are being brought into production, which will greatly aggravate our farm problem. Then I would stop spending money on many of these inland streams, where there is no commerce and where there never will be any commerce.

I can think of so many ways. If the gentleman will come over to my office some afternoon, I think I can show him where we can effect many economies.

Mr. FULLER. I will do that.

Mr. KNUTSON. Mr. Chairman, I fear that the imposition of the proposed tax will encourage business to increase the outstanding stock which will mean more watered stock to pay dividends on. We all know that the consumer ultimately pays all dividends and the more stock outstanding the greater the cost to the consumer.

Another objectionable feature of the bill before us is that it places a flat tax of 15 percent on banks. It does not look right to me to apply the same tax rate to small banks as is applied to some of the big metropolitan banks, which have assets that run into the hundreds of millions, and in several instances beyond the billion mark. There is no more reason why we should treat all banks alike than that we should treat all individuals alike in the matter of collecting income taxes. We know that under the income-tax law, as the income increases, the taxpayer is moved into the higher brackets until he pays, as I recall, 75 percent. It would not be right to apply the same rate to Henry Ford as is applied to us.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. VINSON of Kentucky. In 1933, with \$33,000,000,000 of working assets, I will state to the gentleman that the banks, under existing law, only paid into the Treasury of the United States \$2,400,000. I understand the gentleman feels that their tax burden should be greater than that?

Mr. KNUTSON. Correct. I will say to the gentleman I think it is a crime to let the National City Bank and the Chase National Bank escape with a 15-percent tax, when you stop to think that they own all the sugar plantations and mills down in Cuba, and that this administration has reduced the tariff on sugar from Cuba from 2 cents to nine-tenths of 1 cent, which actually constitutes an outright gift to them of something like \$42,000,000 a year, as I recall.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. TREADWAY. Undoubtedly the gentleman read in the papers where the President-elect of Cuba is making a visit here, and he has stated he is anxious to increase the quota of sugar from Cuba. Does the gentleman think we ought to agree to that?

Mr. KNUTSON. Most assuredly not.

Mr. BANKHEAD. Mr. Chairman, are we now discussing a tariff bill or a revenue bill?

Mr. KNUTSON. Both. We are discussing taxation, and I am merely following the example of my illustrious chief, the gentleman from North Carolina, who made a wonderful stump speech on yesterday. [Laughter.] You Democrats could well use it at your convention as a keynote speech, and I would suggest that you make Mr. DOUGHTON your keynote speaker. [Applause.] But when it comes to that, I think he is one of the best politicians on the floor of this House. I am very fond of him. He is a grand man, sound, and fair.

I do not desire to take more time upon this measure except to say that the opposition is at a disadvantage in discussing the measure because of the fact that the bill contains 249 pages, which was prepared by the majority members of the committee in executive session. The minority had nothing to do with its preparation. As a matter of fact, we did not receive a printed copy of the bill until Monday of this week, and 4 days is hardly sufficient time in which to study and familiarize ourselves on such an intricate subject. Hence my opinions and conclusions are based largely upon the printed hearings.

In connection with the pending measure I wish to submit to the careful consideration of the House membership a suggestion recently advanced by Myron H. Bent, Washington correspondent of the Brooklyn Times Union, which appeared in the issue of that paper on April 14.

Mr. Bent suggests two amendments to the Federal Constitution. One, to fix a limitation on the amount of indebtedness that the Federal Government may incur, the other to set Presidential terms at 6 years, and to make the incumbent ineligible for reelection. To my way of thinking these amendments would greatly improve our situation in that they would remove the greatest hazard of our National Government, the buying of reelection through Federal expenditures that are oftentimes wasteful and unnecessary. I would be happy over the opportunity to vote for their submission.

Before bringing my remarks to a close, I want to commend the chairman and the members of the committee for their faithful and conscientious work. The hearings continued from March 30 to April 7, when we sat past the midnight hour. Regardless of what our personal views may be with reference to this tax bill, I do know that every member of the minority is deeply grateful to Chairman DOUGHTON and the majority members for their uniform courtesy during the hearings. [Applause.]

The CHAIRMAN. The gentleman from Minnesota has consumed 38 minutes.

Mr. COOPER of Tennessee. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. ECKERT].

Mr. ECKERT. Mr. Chairman, I am one of the very few persons who believe that nature, in every growing community, provides a fund for revenue purposes. Therefore, I feel the bill under consideration, in common with the general run of tax legislation, either State or Federal, violates in large measure the fundamental canons of taxation.

#### CANONS OF TAXATION

A tax levied for public revenues ought to conform as closely as possible to the following conditions:

First. That it bear as lightly as possible upon production, so as least to check the increase of the general fund from which taxes must be paid and the community maintained.

Second. That it be easily and cheaply collected, and fall as directly as may be upon the ultimate payers, so as to take from the people as little as possible in addition to what it yields the Government.

Third. That it be certain, so as to give the least opportunity for tyranny or corruption on the part of officials, and the least temptation to lawbreaking and evasion on the part of the taxpayers.

Fourth. That it bear equally, so as to give no citizen an advantage or put any at a disadvantage, as compared with others.

Mr. MASSINGALE a few days ago delivered a speech on the floor of this House in which he reminded the Members that—

A state can be laid low just as effectively by wrong ideas as by an invading army, and there is no agency of destruction known to chemists that is half as formidable as the TNT of bad economics.

There is no branch of the social sciences to which this observation applies with greater force than the subject of taxation, for the taxing power of government can be wielded either to kill or to keep alive and therefore tax measures ought to conform as nearly as possible to the fundamental canons of taxation and sound economics. The present bill does not meet these requirements, and hence falls into the same class of tax legislation that now generally obtains. This, of course, must be expected. Inasmuch as public opinion is in a state of confusion on the subject of taxation and not sufficiently syncretized to support the system ordained by Nature, legislators are bound to follow the accepted method for raising public revenues. In all fairness, it must be said that the bill under consideration represents an earnest and conscientious effort to equalize the burden of taxation as well as to increase the public revenues, and for this the majority of the Ways and Means Committee and the committee's distinguished chairman, Mr. DOUGHTON, are to be complimented.

#### MORE REVENUE NEEDED

The President, in his message of March 3, called attention to the fact that if the policy established in the spring of 1933 of trying to meet the ordinary expenses of government by guaranteed income it will be necessary to raise by some form of permanent taxation an annual amount of \$620,000,000. If the request of the President is to be heeded, new sources of revenue will have to be provided, and inasmuch as practically every nook and corner of the economic world has been explored for things to tax, the discovery of a fund that would provide the revenue necessary for the support of government ought to be an event of unbounded joy and delight, especially to those distinguished gentlemen from both sides of the aisle, who for weeks and months have been admonishing the Congress and the country of the danger of debts and taxes. And be it said, their counsel regarding debts and taxes is timely and wise, even if old and commonplace.

Poor Richard, in his day and generation, was loud in his preachments of thrift and economy and pointed out the pitfalls and anxieties of notes falling due on Easter. Political parties have been zealous in decrying mounting public debts and high taxes. Efficient government, economically administered, is a stock phrase for party platforms. In fact, all agree that both debts and taxes are unwelcome in either public affairs or private life. And yet nearly everyone is a victim of both. And so it would seem, for the greatest

happiness of all, that the one be kept at the lowest possible point and the other in its proper sphere.

Before discussing the low point of debt and the incidence of taxation, let it be known that there may be things even more dangerous than debts and more undesirable than taxes. The complaint is frequently made that the Federal Government is engaged in a spending spree that is not only endangering the Nation's credit but placing upon the backs of the people burdens that are impossible to be borne. But what are the facts? It is true that since 1929 the public debt has been mounting. During the Hoover administration the national debt increased many billion dollars. Since then more billions have been added. But why the increase?

#### WHY TAXES ARE HIGH

Since 1929 the United States has been experiencing a disastrous economic crisis—a crisis in many respects more devastating than war, and to arrest the ravages of this economic debacle the resources of the Federal Government were brought into action. Financial aid was extended to farmers, home owners, manufacturers, railroads, and financial institutions. Besides, the Government set up a number of governmental agencies to provide work for the unemployed, and in addition, was compelled to assume the relief burden throughout the Nation. During the World War the Federal Government increased the national debt by leaps and bounds. In the absence of conscription of wealth there was nothing else to do. No one seriously objected to the action of the Government then. Why so much criticism now in its efforts to combat an enemy more disquieting than the World War?

Public debts are disturbing. They ought to be created only under stress of dire necessity. Taxes are burdensome and ought to be raised only for proper purposes. But there are some things worse than debts and taxes.

Representative LUDLOW, in discussing the Post Office and Treasury appropriation bill, stated the case of the expenditures of the present administration correcting and eloquently when he said:

The spending has indeed been enormous—much greater than many of us approved—but regrettable as it is and important as it is that such drafts on the Treasury shall not occur again, there are, after all, some things that are worse than big expenditures. Revolution is worse than big expenditures. Starvation stalking through the land is worse than big expenditures. Who can say that the money paid out so lavishly may not have staved off something immeasurably worse than anything this country has ever experienced? Anyway, the hungry have been fed and the naked have been clothed, and the situation has been handled so that in a depression as black as midnight peace has reigned and the faith of the people in their Government has been maintained.

Of course, government budgets must be kept within sane bounds, but when this policy is observed it is not so much a question of "How large the Budget?" as "What do the people get for their money?"

Let us examine our tax bill with a view of getting a picture of governmental expenditures. The country's total tax bill is approximately \$10,000,000,000. Of this sum the Federal Government, in normal times and for ordinary purposes, spends approximately \$3,000,000,000, while State and local governments use the balance. A large portion of the Federal Budget is needed for the maintenance of the Military Establishment of the country and to pay for past wars. No doubt there are honest differences of opinion as to the wisdom of spending ever and ever larger sums for Army and Navy maintenance. It must be remembered, however, that the world is an armed camp, and jealousies and fears are lurking everywhere, and this condition impels the mad race for armaments and preparation for war. Let us hope that the people of the world ere long will regain their mental and spiritual balance and put an end to this insanity.

The Government is also charged with being wasteful and extravagant. Perhaps so. Waste and extravagance, however, are not peculiar to governments alone. There have been waste and extravagance in so-called private enterprise—the railroads, the power groups—in fact, nearly all public utilities have had their spree of waste and extravagance, all of which indicates that both governments and those engaged in quasi-governmental enterprises have not

yet developed that civic mind and social conscience so essential for honest, efficient, and economical administration of government and public utilities. In the light of the moral delinquencies on the part of governments and public-utility companies, it is not only the right but the solemn duty of the people to demand at the hands of their governments and public-utility managers the correction of these delinquencies and shortcomings. Our tax bill is large, but much is being demanded of government these days. If the people expect an infinite variety of services from government, the cost necessarily must be correspondingly high, no matter how efficiently and economically administered.

#### THE PRODUCTIVE PROCESS ANALYZED

Since the high cost of government is disturbing the complacency and peace of mind of some of our worthy citizens, an honest and candid examination of the tax problem is in order. How often have we heard from the floor of this House the wail, "Where are you going to get the money?" This is a very proper and timely question. It is a very vital and important question, and upon its correct answer may turn the destiny of the American Republic. The problem of taxation is the most vital problem that can engage the attention of lawmakers and statesmen. For upon the sane and rational application of the incidence of taxation depend the peace, prosperity, and happiness of the people. The Supreme Court of the United States, in a celebrated case, said:

The power to tax is the one power upon which the national fabric is based. It is not only the power to destroy, but also the power to keep alive.

This dictum of the Supreme Court is sound and attains its validity from the nature of the economy of the social structure. Since public revenues must be obtained from production and the taxing power may be used to destroy or to build, to kill or keep alive, it would seem that the first duty of the lawmaker and statesman is to reduce the productive process into its constituent parts so that the incidence of taxation may be applied wisely and scientifically to the end that the artificial obstructions now hampering industry and impeding the free flow of trade may be removed. With this in mind, let us examine the conditions under which man lives and has his being.

We find man to be an inhabitant of the earth and beset by certain definite wants that must be gratified if life is to be maintained. The elements for the satisfaction of his wants must be drawn forth from the earth—the great storehouse from which the things are obtained that satisfy man's needs. The active factor in the process of drawing forth or producing the necessities of life on the part of the individual is labor. Another factor in the process of production is capital—tools employed by labor. Therefore there are three primary factors in the productive process: The earth—land in its comprehensive sense—and labor and capital. The product produced or drawn forth from the earth by labor and capital make up the infinite variety of things that gratify the physical wants and necessities of man and constitutes wealth in the true economic sense. This, then, is the simple picture of the productive process in which the great body of mankind is engaged in order to obtain their livelihood and maintain civilization.

Let us next examine how wealth, the product of production, is shared. Since the three primary factors in the process of production are land, labor, and capital, it is reasonable to assume that each factor is entitled to a share of the product; and, generally speaking, this is true, excepting in communities where land is free—that is, where land may be had for the taking, as in the settling and homesteading of our western frontier during the last century. The moment, however, that land becomes monopolized and free land can no longer be had for the asking, then those in control of the land demand a share of the wealth produced by labor and capital.

And let it be observed that the demands of the owners of monopolized land increase and multiply with the increase of population and the progress of the race. The higher the

race advances in the scale of civilization—materially, intellectually, spiritually—the greater will be the exactions of those in control of the land. This is due to the fact that the benefits of human progress are absorbed by land. These benefits are reflected in the value of the land, thus enabling the landowners to appropriate from the products of labor and capital the equivalent of a fair return on the capitalized value of land. Therefore, those in control of monopolized land are in a position to appropriate all the wealth produced by labor and capital, excepting the portion needed to lure capital into productive enterprise and enable labor to live and reproduce. Landowners of monopolized land, as such, do not contribute anything whatsoever in productive effort. They are drones and parasites on industry. They reap where they have not sown and devour that which in justice and right reason belongs to all the people. Since the benefits of advancing civilization are absorbed by land, and the profits issuing therefrom appropriated by private interests rather than by society, it is obvious that private interests are enjoying what in justice ought to accrue to all. This fact must be taken into consideration in any serious study of the subject of taxation, for so long as we permit the few to appropriate what manifestly is the creation of all the people there can be no solution of the problem of unemployment and its companion problem, involuntary poverty. Nor can the ever perturbing problem of taxation, with its injustices, be solved.

#### ORIGIN—NATURE AND GROWTH OF LAND VALUE

There is a disposition on the part of lawmakers, statesmen, and economists to disregard the subject of land value and ignore the part it plays in our industrial economy. The manifestation of land value may be observed wherever people happen to establish a community. It appears in most striking form in the great centers of population, but the moment an effective demand arises for land by capital and labor exactions are demanded for the use of land, so that in village and hamlet, in agricultural sections, as well as in the great centers of population, land value appears. This social phenomenon is portrayed by Henry George, in *Progress and Poverty*, in these words:

Here, let us imagine, is an unbounded savannah, stretching off in unbroken sameness of grass and flower, tree and rill, till the traveler tires of the monotony. Along comes the wagon of the first immigrant. Where to settle he cannot tell—every acre seems as good as every other acre. As to wood, as to water, as to fertility, as to situation, there is absolutely no choice, and he is perplexed by the embarrassment of richness. Tired out with the search for one place that is better than another, he stops—somewhere, anywhere—and starts to make himself a home. The soil is virgin and rich; game is abundant; the streams flash with the finest trout. Nature is at her very best. He has what, were he in a populous district, would make him rich; but he is very poor. To say nothing of the mental craving, which would lead him to welcome the sorriest stranger, he labors under all the material disadvantages of solitude. He can get no temporary assistance for any work that requires a greater union of strength than that afforded by his own family, or by such help as he can permanently keep. Though he has cattle, he cannot often have fresh meat, for to get a beefsteak he must kill a bullock. He must be his own blacksmith, wagonmaker, carpenter, and cobbler—in short, a "jack of all trades and master of none." He cannot have his children schooled, for to do so he must himself pay and maintain a teacher. Such things as he cannot produce himself he must buy in quantities and keep on hand, or else go without, for he cannot be constantly leaving his work and making a long journey to the verge of civilization; and, when forced to do so, the getting of a vial of medicine or the replacement of a broken auger may cost him the labor of himself and horses for days. Under such circumstances, though Nature is prolific, the man is poor. It is an easy matter for him to get enough to eat; but, beyond this, his labor will suffice to satisfy only the simplest wants in the rudest way.

Soon there comes another immigrant. Although every quarter section of the boundless plain is as good as every other quarter section, he is not beset by any embarrassment as to where to settle. Though the land is the same, there is one place that is clearly better for him than any other place, and that is where there is already a settler, and he may have a neighbor. He settles by the side of the first comer, whose condition is at once greatly improved and to whom many things are now possible that were before impossible, for two men may help each other to do things that one man could never do.

Another immigrant comes, and, guided by the same attraction, settles where there are already two. Another, and another, until around our first comer there are a score of neighbors. Labor has

now an effectiveness which, in the solitary state, it could not approach. If heavy work is to be done, the settlers have a log-rolling, and together they accomplish in a day what singly would require years. When one kills a bullock, the others take part of it, returning when they kill, and thus they have fresh meat all the time. Together they hire a schoolmaster, and the children of each are taught for a fractional part of what similar teaching would have cost the first settler. It becomes a comparatively easy matter to send to the nearest town, for someone is always going. But there is less need for such journeys. A blacksmith and a wheelwright soon set up shops, and our settler can have his tools repaired for a small part of the labor it formerly cost him. A store is opened and he can get what he wants as he wants it; a post office, soon added, gives him regular communication with the rest of the world. Then comes a cobbler, a carpenter, a harness-maker, a doctor; and a little church soon arises. Satisfaction becomes possible that in the solitary state were impossible. There are gratifications for the social and the intellectual nature, for that part of the man that rises above the animal. The power of sympathy, the sense of companionship, the emulation of comparison and contrast, open a wider and fuller and more varied life. In rejoicing, there are others to rejoice; in sorrow, the mourners do not mourn alone. There are husking bees and apple parings and quilting parties. Though the ballroom be unplastered and the orchestra but a fiddle, the notes of the magician are yet in the strain, and Cupid dances with the dancers. At the wedding there are others to admire and enjoy; in the house of death, there are watchers; by the open grave, stands human sympathy to sustain the mourners. Occasionally, comes a straggling lecturer to open up glimpses of the world of science, of literature, or of art; in election times come stump speakers, and the citizen rises to a sense of dignity and power as the cause of empires is tried before him in the struggle of John Doe and Richard Roe for his support and vote. And by and by comes the circus, talked of months before, and opening to children whose horizon has been the prairie, all the realms of the imagination—princes and princesses of fairy tale, mail-clad crusaders and turbaned Moors, Cinderella's fairy coach, and the giants of nursery lore; lions such as crouched before Daniel, or in circling Roman amphitheater tore the saints of God; ostriches who recall the sandy deserts; camels such as stood around when the wicked brethren raised Joseph from the well and sold him into bondage; elephants such as crossed the Alps with Hannibal, or felt the sword of Maccabees; and glorious music that thrills and builds in the chambers of the mind as rose the sunny dome of Kubla Khan.

Go to our settler now and say to him, "You have so many fruit trees which you planted, so much fencing, such a well, a barn, a house—in short, you have by your labor added so much value to this farm. Your land itself is not quite so good. You have been cropping it, and by and by it will need manure. I will give you the full value of all your improvements if you will give it to me and go again with your family beyond the verge of settlement." He would laugh at you. His land yields no more wheat or potatoes than before, but it does yield far more of all the necessities and comforts of life. His labor upon it will bring no heavier crops, and, we will suppose, no more valuable crops, but it will bring far more of all the other things for which men work. The presence of other settlers—the increase of population—has added to the productivity, in these things, of labor bestowed upon it, and this added productivity gives it a superiority over land of equal natural quality where there are as yet no settlers. If no land remains to be taken up except such as is as far removed from population as was our settler's land when he first went upon it, the value or rent of this land will be measured by the whole of this added capability. If, however, as we have supposed, there is a continuous stretch of equal land over which population is now spreading, it will not be necessary for the new settler to go into the wilderness, as did the first. He will settle just beyond the other settlers and will get the advantage of proximity to them. The value or rent of our settler's land will thus depend on the advantage which it has, from being at the center of population, over that on the verge. In the one case the margin of production will remain as before, in the other the margin of production will be raised.

Population still continues to increase, and as it increases so do the economies which its increase permits, and which in effect add to the productivity of the land. Our first settler's land, being the center of population, the store, the blacksmith's forge, the wheelwright's shop, are set upon it, or on its margin, where soon arises a village, which rapidly grows into a town, the center of exchanges for the people of the whole district. With no greater agricultural productivity than it had at first, this land now begins to develop a productivity of a higher kind. To labor expended in raising corn, or wheat, or potatoes, it will yield no more of those things than at first; but, to labor expended in the subdivided branches of production which require proximity to other producers, and, especially, to labor expended in that final part of production, which consists in distribution, it will yield much larger returns. The wheat grower may go further on, and find land on which his labor will produce as much wheat, and nearly as much wealth; but the artisan, the manufacturer, the storekeeper, the professional man, find that their labor expended here, at the center of exchanges, will yield them much more than if expended even at a little distance away from it; and this excess of productivity for such purposes the landowner can claim just as he could an excess in its wheat-producing power. And so our settler is able to sell in building lots a few of his acres for

prices which it would not bring for wheat growing if its fertility had been multiplied many times. With the proceeds he builds himself a fine house, and furnishes it handsomely. That is to say, to reduce the transaction to its lowest terms, the people who wish to use the land build and furnish the house for him, on condition that he will let them avail themselves of the superior productiveness which the increase of population has given the land.

Population still keeps on increasing, giving greater and greater utility to the land and more and more wealth to its owner. The town has grown into a city—a St. Louis, a Chicago, or a San Francisco—and still it grows. Production is here carried on upon a great scale, with the best machinery and the most favorable facilities; the division of labor becomes extremely minute, wonderfully multiplying efficiency; exchanges are of such volume and rapidity that they are made with the minimum of friction and loss. Here is the heart, the brain of the vast social organism that has grown up from the germ of the first settlement; here has developed one of the great ganglions of the human world. Hither run all roads, hither set all currents, through all the vast regions round about. Here, if you have anything to sell, is the market; here, if you have anything to buy, is the largest and choicest stock. Here intellectual activity is gathered into a focus, and here springs that stimulus which is born of the collision of mind with mind. Here are the great libraries, the storehouses and granaries of knowledge, the learned professors, the famous specialists. Here are museums and art galleries, collections of philosophical apparatus, and all things rare and valuable and best of their kind. Here come great actors and orators and singers from all over the world. Here, in short, is a center of human life, in all its varied manifestations.

So enormous are the advantages which this land now offers for the application of labor that, instead of one man with a span of horses scratching over acres, you may count in places thousands of workers to the acre, working tier on tier, on floors raised one above the other, five, six, seven, and eight stories from the ground, while underneath the surface of the earth engines are throbbing with pulsations that exert the force of thousands of horses.

All these advantages attach to the land; it is on this land and no other that they can be utilized, for here is the center of population—the focus of exchanges, the market place and workshop of the highest forms of industry. The productive powers which density of population has attached to this land are equivalent to the multiplication of its original fertility by the hundredfold and the thousandfold. And rent, which measures the difference between this added productiveness and that of the least productive land in use, has increased accordingly. Our settler, or whoever has succeeded to his right to the land, is now a millionaire. Like another Rip Van Winkle, he may have lain down and slept; still he is rich—not from anything he has done but from the increase in population. There are lots from which for every foot of frontage the owner may draw more than an average mechanic can earn; there are lots that will sell for more than would suffice to pave them with gold coin. In the principal streets are towering buildings of granite, marble, iron, and plate glass, finished in the most expensive style, replete with every convenience. Yet they are not worth as much as the land upon which they rest—the same land, in nothing changed, which when our first settler came upon it had no value at all.

Here, in poetic prose, is told the story of the nature, origin, and development of land value. The profit derived from capitalized land values is known in political economy as economic rent. J. Ramsay MacDonald, former Prime Minister of England, referring to this factor in the economic structure, said:

Rent (ground rent) is a toll, not a payment for services. By it social values are transferred from social pools into private pockets, and it becomes the means of vast economic exploitations. . . . Rent is obviously a common resource. Differences in fertility and value of site must be equalized by rent, but it ought to go to common funds and be spent in the common interest.

#### NATURAL FUND FOR PUBLIC REVENUE

"Where are you going to get the money?" has echoed and reechoed through this historic Chamber for many months. On more than one occasion the distinguished gentleman from Pennsylvania [Mr. RICH] has made it the burden of his song. The problem of mounting debts and taxes in all conscience is serious and, as everyone knows, the burden of the cost of government—both Federal and local—is reaching proportions almost too grievous to be borne. But those who are alarmed at the extraordinary expenditures and disturbed at the refrain of the distinguished gentleman from Pennsylvania, let them explore for revenue purposes the possibilities of the fund represented by the Nation's land values and the values of the public-utility franchises; in other words, the ground rent to which J. Ramsay MacDonald refers.

An honest, impartial, intelligent investigation will disclose the fact that the land values of America and the public-utility franchise values constitute a fund provided by Nature and Nature's God that will supply not only the means of every legitimate public expense but will meet every canon of sound taxation. Yea, it will do more. It will go far to solve the problem of unemployment and involuntary poverty. It will lay the basis and point the way for the honest and equitable distribution of wealth. It will give light and leading to the baffled and perplexed educators, statesmen, and philosophers that are grappling with these problems.

The question is frequently asked: "Why so much want in the midst of plenty?" President Roosevelt, in his Atlanta speech, put the same question in this form:

I think it is of interest to point out that national surveys prove that the average of our citizenship lives today on what would be called by the medical fraternity "a third-class diet." If the country lived on a second-class diet, we would need to put many more acres than we use today back into the production of foodstuffs for domestic consumption. If the Nation lived on a first-class diet, we would have to put more acres than we have ever cultivated into the production of an additional supply of things for Americans to eat.

Why, speaking in broad terms in following up this particular illustration, are we living on a third-class diet?

And proceeds to answer by saying:

For the very simple reason that the masses of the American people have not got the purchasing power to eat more and better food.

And the President properly might have pursued the question further and included not only better food but better clothes, better housing, not to say anything about modern conveniences.

#### LACK OF PURCHASING POWER

Why do the people lack purchasing power? It is not due to the people's unwillingness to labor and produce wealth. It is not due to lack of capital nor to the niggardliness of nature. All about us we see natural resources that willing hands and idle tools are anxious to exploit. The natural resources of the Nation, if touched by the magic hand of labor and capital, would supply enough and to spare for all.

The Bureau of Home Economics of the Agricultural Department, after a careful survey of the needs of an average family in the United States, found that an annual income of \$2,500 was necessary to maintain a reasonable standard of living. When it is remembered that in 1929, the year of our peak prosperity, there were 6,000,000 families in the United States with incomes of less than \$1,000, 12,000,000 families with incomes under \$1,500, and over 19,000,000 families—over 71 percent of our entire population—with incomes less than \$2,500, it is obvious that the wants of the people were far from satisfied. In periods of depression and in times of ordinary business conditions, the income of the average family is considerably less. These facts indicate the inadequate and limited purchasing power of the great mass of the people either in so-called good or bad times. They further indicate that there is among our own people a great potential market that will be available with the advent of adequate purchasing power in the hands of the masses. It is estimated that if the income of the average family were \$2,500 per annum, the farms, mills, and factories would be required to produce 75 percent more wealth or consumers' goods in order to supply the demand of the American market.

These facts confirm the findings of the Brookings Institution, of Washington, D. C., which found, after an exhaustive investigation and study of the problem of production and distribution of wealth, that at the very peak of our so-called prosperity, in 1929, 13 percent of the people of the United States owned 90 percent of the wealth and that the income of the other 87 percent was so low that only a few of them consumed any luxuries or conveniences at all, and that practically all of the 87 percent were compelled to spend their entire income for the bare necessities of life, and further discovered that if the income of the other 87 percent were sufficient to enable them to maintain

a standard of living such as the Bureau of Home Economics of the Agricultural Department describes as reasonable, there would be a marked increase in production and consumption.

In our exploration for an answer to the question of "Why want in the midst of plenty?" and to President Roosevelt's observations about inferior diet and lack of purchasing power, and the Brookings Institution's discovery of the inequitable distribution of wealth and the low purchasing power of 71 percent of the American people, we may, perchance, also discover the Eldorado where the money may be had with which to pay the tax bills.

Recalling Henry George's story of the nature, origin, and growth of land values, let us, for example, take the city of New York. The report of the commissioner of taxes and assessments for the year 1934 discloses the fact that the land values of the city of New York are \$8,000,995,996, while the improvement values total \$8,456,173,777. It will be observed that the value of the land and the value of the improvements are about equal. And here let it be noted that rows upon rows of buildings and skyscrapers in the city of New York represent a tremendous amount of human labor—every building, every home, every office, every factory, every skyscraper came into being only as the result of the labor of thousands upon thousands of workmen. Not so with the value of the land. The increment of land value is not a labor product. It is the result of the people as a whole functioning as society—as a social organism. The origin of the value of improvements and the value of land are totally different. One is a labor value, the other a social value. The former is the result of productive effort, the latter the growth and progress of society.

What is true of the city of New York is true of every community, large or small. The land values and public-utility franchise values of the Nation in normal times are estimated at \$200,000,000,000. The value of the Nation's permanent labor products in normal times is approximately two hundred billions. And inasmuch as the one is the product of society and the other the product of labor, are we not within the bounds of logic, good morals, and sound law in concluding that labor ought to receive the share it produces and society be rewarded for the share it produces? Why are the products of labor so illy shared? Why is wealth so inequitably distributed?

Lincoln, in discussing this problem, said:

Inasmuch as most good things are produced by labor, it follows that all such things belong to those whose labor has produced them. But—

Continued Lincoln—

it has happened in all ages of the world that some have labored and others, without labor, have enjoyed a large proportion of the fruits.

Applying this line of reasoning to the problem in hand, who is the rightful owner of the profits issuing out of the land values not only of the city of New York but of the land values and public-utility franchise values of the Nation? Manifestly they belong to the people. But under present law and custom we permit a few to appropriate to their own use that which obviously belongs to all. And so Lincoln's observation is still true—that there are some who, without labor, enjoy a large proportion of the fruits of labor. It is this fact which explains President Roosevelt's and the Brookings Institution's observation about the lack of purchasing power of the great mass of mankind and furnishes an answer to the disquieting question, Why want in the midst of plenty?

#### WHY POLITICS AND GOVERNMENT ARE CORRUPT

It explains even more. It is this fact in our economic society that accounts for much of the vulgarity and corruption in government and politics. Albert Jay Nock, a publicist and fundamental thinker of note, puts the case in this fashion. He says:

So long as the State stands as an impersonal mechanism which can confer an economic advantage at the mere touch of a button, men will seek by all sorts of ways to get at the button, because law-made property is acquired with less exertion than labor-made

property. It is easier to push the button and get some State-created monopoly, like a land title, a tariff, a franchise, or other governmental concessions, and pocket the proceeds than to accumulate the same amount by labor.

Man seeks to gratify his desires and wants with the least possible exertion. There are only two ways by which these wants and desires can be gratified—one is by labor or rendering service, the other by stealing or extorting service. It is, of course, plain why men seek to get at the button to which Nock directs our attention. But it is also clear that we cannot exist as a people or a Nation by robbing each other, whether by the ordinary highway method of stand and deliver or the more refined way of using the power of government.

Since wealth is brought into existence by human labor alone, it follows that some must labor and produce the things that man needs for the gratification of his wants and desires, and therefore it would seem that, since all cannot hope to derive their living off the labor of others, that we put an end to the stealing of the few by organizing society in such fashion that none would reap where others have sown. It is obvious if we wish to establish an economic order based upon the foundation of social justice that the burden of taxation now resting upon the products of industry and labor must be removed and the profits that issue from governmental concessions, such as land titles, franchises, and the like, must be used for public purposes so that all the people will enjoy their share of the community fund. Incidentally, this would put an end to the great prizes for which many of our foremost citizens are ready and eager to grovel in the dirt and slime of politics in order to get at the governmental button. If the problem of unemployment is to be solved and involuntary poverty abolished, then government must be administered in such fashion that legal privilege of whatsoever nature will be destroyed. In other words, the economic advantages derived from pushing the governmental button must be removed from the realm of government and politics.

#### NATURAL LAWS VS. ARTIFICIAL LEGISLATION

This can be accomplished by the simple process of non-interference with the natural growth and development of human society and the sane and rational use of the taxing power. Too many well-meaning and kindly disposed persons are unmindful of the fact that the operation of natural law in the field of economics can be trusted to bring about just, equitable, and beneficial results, while artificial legislation is bound to go astray. President Roosevelt has declared that we today are engaged in a great crusade in every part of the land to cooperate with Nature and not to fight her. This is fine. But in our effort to cooperate with Nature let us make certain that we are in very truth cooperating with her and not running counter to her all-wise and beneficent laws.

The great Italian economist of the eighteenth century, Gaetano Filangieri, in his *Science of Legislation*, said:

There are certain natural laws governing our economic life. If we regulated our lives according to these natural laws, we would abolish poverty and secure justice and prosperity for all.

Another eminent economist, also of the eighteenth century, said:

There is in human affairs one order which is the best. It is not always the order which exists, but it is the order which ought to exist for the greatest good of humanity. God knows it and wills it. Man's duty is to discover and establish it.

Patrick Edward Dove, a profound economist of the nineteenth century, in *The Theory of Human Progression*, demonstrates the same truth, while Henry George, in his monumental work, *Progress and Poverty*, in analyzing and developing his social philosophy, demonstrates logically, scientifically, and conclusively the truth declared by these eminent economists. If we are going to cooperate with Nature, we must learn her laws and obey her commands.

Blackstone, the great English commentator, said:

God has graciously reduced the rule of obedience to this one paternal precept "that man should pursue his own true and substantial happiness." That this precept is the foundation of what we call ethics or natural law and that no human laws are of any validity if contrary to this, and all of them that are valid derive all their force and all their authority from this origin.

Since the validity of all human law derives all its force and authority from the moral or natural laws, any human enactments in relation to the problem of taxation must likewise derive their validity from the same source.

#### MORALS AND SOUND TAXATION

One of the most important natural laws that govern our economic life is the law of economic rent. Therefore let us put the proposal of taking the economic rent of land or the profits issuing from land value for public use to the test of the inexorable rule of Nature. And first let it be observed how beautifully and wisely Nature has provided for the needs of a growing and advancing community. Someone has said:

That Nature has intended the state to obtain the revenues it needs by the taxation of land values is shown by the same order and degree of evidence that shows that God has intended the milk of the mother for the nourishment of the babe. For no sooner does the state arise, it needs revenues. This need for revenue increases with the increase of population and the development of human society. The increasing need for public revenues with social advance, being a natural need, there must be a right way of raising them. It is clear that this right way must accord with the moral or natural law.

Wherein lies the right way?

Let us consider the taxes on the processes and products of industry by which our present public revenues are collected. The taxes on occupations, on earnings, on investments, on buildings, on houses, on the cultivation of fields, on industry and thrift in all forms have none of the characteristics indispensable in any plan we can deem a right one. All these taxes violate the moral law. For they take by force what belongs to the individual; they give to the unscrupulous an advantage over the scrupulous; they corrupt government; they make oaths a mockery; they shackle commerce; they fine industry and thrift; they lessen the wealth that man might enjoy, and enrich some by impoverishing others.

Now, what about the tax on land values? We have observed that land values are the result of community growth and advancing civilization. They do not come into being as a result of the activity of any particular individual, but by the activity of all the people functioning as a social organism. Therefore, since no particular individual is responsible for the origin and growth of land values, but are due to the activity of all the people, it is clear that the profits issuing from land values belong to all the people. Well has it been said that:

Nature gives to labor, and to labor alone. In a very Garden of Eden a man would starve but for human exertion. Now, here are two men of equal incomes—that of the one derived from the exertion of his labor, that of the other from the rent of land. Is it just that they should equally contribute to the expenses of the State? Evidently not. The income of the one represents wealth he creates and adds to the general wealth of the State; the income of the other represents merely wealth that he takes from the general stock, returning nothing. The right of the one to the enjoyment of his income rests on the warrant of Nature, which returns wealth to labor; the right of the other to the enjoyment of his income is a mere fictitious right, the creation of municipal regulation, which is unknown and unrecognized by Nature.

And also let it be further observed that a tax upon land values is the most just of all taxes, for—

It falls only upon those who receive from society a peculiar and valuable benefit, and upon them in proportion to the benefit they receive. It is the taking by the community, for the use of the community, of that value which is the creation of the community. It is the application of the common property to common uses. When all rent is taken by taxation for the needs of the community, then will the equality ordained by Nature be attained. No citizen will have an advantage over any other citizen save as is given by his industry, skill, and intelligence; and each will obtain what he fairly earns. Then, but not till then, will labor get its full reward, and capital its natural return.

This is a consummation devoutly to be wished. But inasmuch as public opinion has not yet been developed sufficiently to recognize the inequity of the present tax system nor the justice of the taxation of land values, it is obvious that the present need is education and more education, to the end that a healthy and wholesome public opinion may be developed on the vital question of taxation. In order that such education may not be misguided and destructive of its own ends, the promulgation of ideas in relation to taxation

and the subject of political economy contrary to the social order ordained by Nature and Nature's God is charged with TNT of bad economics and in the very nature of things will be destructive of the very society and civilization for which the friends of social justice live and labor and sacrifice. [Applause.]

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. ECKERT] has expired.

Mr. COOPER of Tennessee. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. Hook].

Mr. HOOK. Mr. Chairman, I have heard several speakers this afternoon on the subject of taxation raise the question of how this money has been spent by our Democratic Party. I may say that it has been appropriated in behalf of the people of this Nation, and President Roosevelt demands that it be spent honestly and impartially in behalf of all the people of this great Nation who are in need.

Let me preface my remarks by saying that in the State of Michigan and in many States of the United States since November 1935, no Federal relief grants have been given to Michigan and other States by the Federal Government; so that all direct relief money spent in the States is completely controlled by the State administration. In the State of Michigan we have a Republican administration.

I want to read this letter to you to show what a Republican administration is doing with relief money:

IRON RIVER, MICH., April 14, 1936.

FRANK E. HOOK.

DEAR SIR: I am writing you, telling I have been 3 months without any wood. I have been after them dozens and dozens of times, and one cold day I went to the Caspian office, walked 4 miles. When I got in there Mr. Brotherington was sitting in a big soft morris chair in front of a nice big fireplace, smoking a big cigar, and had refused to talk to me and I was half froze and turned away.

I left word there for the investigator to make a call at my home. She came about 2 weeks after. The day she came I was gone to see the doctor. My husband was at home. This is what she told my husband. "If you take that picture (meaning President Roosevelt) down from the wall, maybe we could get somewhere." We didn't think anything of this right then. We thought we would get the wood but we didn't, so then I went up to the food store where they have their offices on Tuesday, April 14, and seen the investigator, Miss Doring, and asked her about the wood, and she came out with the same thing, only a little stronger. She said, if you take the picture off your wall, then Mr. Brotherington would give you some wood. She said Mr. Roosevelt doesn't help you anyway.

I'll sign an affidavit in front of anyone that this is nothing but the truth. We were treated fine until the picture came up, until the first investigator came in our house and seen it. I told her I would never take that picture down from my wall, and I didn't get any wood yet. I will take this matter up anywhere with you.

Very truly yours,

(Signed) Mrs. ALPHONSE BEZOTTE,

932 W. Mickler Street, Iron River, Mich.

P. S.: I wrote to you before. My husband is sick and under the doctor's care, and we need help. Please answer.

Talk about buying votes! When Members on the opposite side of this aisle accuse the Democratic Party of trying to buy votes with relief money, how do they explain away such a situation as that outlined in this letter, a situation absolutely and positively under the control of the Republican administration? What would happen if the Republican Party were in control nationally?

The previous two Republican speakers referred to the agricultural program and other agencies of the Government in a critical manner. Let me refer to an achievement in which I have much pride, that of the Michigan farmers since 1932. The farmers of my State during this panic year were paying the highest taxes on agricultural land and farm real estate of any State in the Union. They were crushed between the millstones of the depression and were unable to help themselves until the Federal program of 1933 was launched which reduced the taxes on rural farms some 60 percent in the State of Michigan.

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield?

Mr. HOOK. I yield.

Mr. WOODRUFF. Will the gentleman tell the House whether or not the reduction in farm taxes was brought

about by constitutional amendment, by vote of the people of the State, or by the legislature?

Mr. HOOK. It was brought about through the fact that Michigan itself could not have operated in behalf of and for the good of the farmers without being helped by the National Government.

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield further?

Mr. HOOK. Yes.

Mr. WOODRUFF. The gentleman has not answered my question. I will say, if he dislikes to answer, that the reduction in the tax on real estate in the State of Michigan was brought about by a constitutional amendment voted by the people of the State. It was brought about by the people themselves. That is the fact.

Mr. HOOK. Partially so. I grant that the Democratic administration was responsible for that, but the greatest benefits were brought about through the agricultural program. But there are things in connection with the spending of the taxpayers' money in the extension work in that great State to which I want to call attention.

It is inherent in the hearts of Americans to take pride in the performance and progress of each one of the individual States that make up the Union. Citizens of a particularly fortunate State are, of course, doubly proud, and as a citizen of Michigan it is with great gratification that I point to the progress that my State has achieved in two major fields of enterprise, upon which the citizens of Michigan depend for their livelihood, since the depth of the depression in 1932, to the present time.

First, I wish to call attention to the record of the automobile industry during the past 4 years. The production of automobiles has increased by more than 70 percent. New plants are being built in many Michigan manufacturing cities. Many leading automobile factories are behind in their orders for new cars. These cars are sold throughout the United States and exported to foreign countries. In a sense, more than three-fourths of the people of the United States travel with their feet on a part of Michigan, since the floors of 90 percent of their cars and the chassis beneath are made in Michigan factories, largely from iron and timber produced in Michigan.

I am proud of the leadership Michigan has taken among other States in rising out of the depression through this major industrial development, but as a citizen of Michigan I realize fully that Michigan alone as a State was prostrate and helpless 4 years ago when her factories and mines were closed, and her people out of work, and orders for automobiles had dwindled to less than one-fourth of the normal business.

Early in 1933 the program of the Federal Government was launched and a recovery started that began at the grass roots, primarily through the cooperation of farmers in the program authorized by the Agricultural Adjustment Act, that increased the purchasing power of farmers of the United States by 40 percent in 1934 and over 60 percent in 1935, as compared to the panic year of 1932. Statistics show that it was the farmers and the businessmen dealing with farmers who were the largest purchasers of the automobiles made in Detroit factories.

A second great achievement in which I take particular pride is the achievement of Michigan farmers since 1932. The farmers of my State during this panic year were paying the highest taxes on agricultural land and farm real estate of any State in the Union. They were crushed between the millstones of the depression and were unable to help themselves until the Federal program of 1933 was launched, and through the Agricultural Adjustment Administration, the Farm Credit Administration, and other New Deal agencies, farm foreclosures dwindled and prices on basic commodity crops were advanced toward parity prices.

Ordinarily the reports of crop statisticians are considered dry and musty, but the crop report for the State of Michigan of January 1936, issued by the State department of agriculture, with the United States Department of Agriculture cooperating, reads like a romance to those who look

back to the dark and desperate days of 1932 and at the same time vision the progress that has taken place since as represented by cold figures—figures that show less of misery and more of happiness, less of despair and more of hope, for farm families. This report states that in 1932 the total value of livestock and crop production for the State of Michigan was \$118,567,000.

In 1935 the total cash farm income for Michigan had risen to \$177,000,000 for all crops and livestock, an increase of nearly 50 percent. In addition, this report further states that taxes on farm real estate had declined approximately 60 percent from 1929 to 1934, 1935 taxes being not yet available. The report of the State statistician indicates that progress toward complete recovery will continue in 1936. Practically all farms of the State are in full operation, and many new farms, particularly the small farms of part-time farmers who work in industry part of their time have been brought into production.

One of the outstanding achievements in Michigan has been in the increase of alfalfa acreage, in which Michigan now ranks second in the Union, an increase of from 74,000 acres in 1919 to nearly 1,000,000 acres in 1935; and in sugar beets, in which she ranks third, increasing from an acreage of 58,000 in 1931 to 115,000 acres in 1935; and field beans, in which Michigan ranks first, producing a crop valued at \$5,363,000 in 1931 and worth nearly \$10,000,000 in 1935 (\$9,852,000). In potatoes, Michigan took second rank of the Nation in 1935, with a crop valued at \$12,492,000; while in 1931, when the depression was on, the potato crop of Michigan was worth only \$4,331,000. Michiganders are also proud of the fact that Michigan ranks first as a cherry State, her crop being worth \$1,622,000 in 1935; while in 1932, the lowest point of the panic years, Michigan's cherry crop brought a return of only \$608,000.

Neither do we Wolverines cry over the fact that we are the first onion State of the Union, and we do not mind if you poke fun at us for being the premier pickle-producing State. And these products, too, have gained as the consuming public with increased purchasing power has had more money with which to buy pickles and cherries.

It is not only through the direct basic-commodity crop acreage-control program of the Agricultural Adjustment Administration that Michigan farmers benefited but through the wise purchases of surpluses by the commodity-purchase section of the Agricultural Adjustment Administration that prices on dairy products, beans, and special crops were maintained.

The leading authority of the cooperative organizations of Michigan and also of the bean-jobbing industry states that orderly marketing resulting from the Federal purchase of pea beans in 1935 saved Michigan farmers from enormous losses that would have been caused by gluts of the market. These losses would have run into millions of dollars without this wise aid from the Federal program in handling one of Michigan's largest bean crops.

The new Federal soil-conservation program is now being launched in Michigan, and those who understand its provisions and who have been in touch with the soil-conservation program of the past 10 years of the Michigan Agricultural College realize that this program offers much to Michigan. It grieves me, however, to note that political pressures are still brought to bear upon that grand old institution, the mother of all agricultural colleges, in an effort to break down the wise provisions of the New Deal for agriculture and for the general welfare of the Nation. In that connection I wish to remonstrate here against any political control being exerted that perverts the Federal- and State-supported land-grant colleges of America from their high purpose. They are unique in their service to the Nation and deserve complete freedom from self-seeking political influences. Their economists need not be hired by any political group to give facts. These institutions stand ready to give the facts freely to the Nation as part of their service.

Some years ago certain members of a political group got mixed up in affairs that looked surprisingly like grand

larceny, perjury, and unethical and illegal use of State funds at our land-grant college.

At this point, Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include therein a report of the Senate committee investigating the administration of the affairs of the Michigan State College of Agriculture and Applied Sciences.

Mr. TREADWAY. Mr. Chairman, reserving the right to object, is it a State or Federal document the gentleman speaks of?

Mr. HOOK. This is a State document involving some Federal funds, namely, funds of the War Department in the R. O. T. C.

Mr. TREADWAY. Does the gentleman believe them applicable to a tax bill?

Mr. HOOK. They relate to tax money that is being spent.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. TREADWAY. Mr. Chairman, I shall not object.

There was no objection.

The matter referred to follows:

REPORT OF THE SENATE COMMITTEE INVESTIGATING THE ADMINISTRATION OF THE AFFAIRS OF THE MICHIGAN STATE COLLEGE OF AGRICULTURE AND APPLIED SCIENCE

*His Excellency the Governor and honorable members of the Senate, of the State of Michigan.*

GENTLEMEN: On February 28, 1933, the Senate passed the following resolution known as Senate Resolution No. 27:

"Senate Resolution No. 27

"A resolution providing for a public investigation into the administration of the affairs of the Michigan State College of Agriculture and Applied Science, together with the affairs of its officials and employees and the activities of any person, corporation, or other body, directly or indirectly related to said Michigan State College of Agriculture and Applied Science.

"Whereas certain facts have appeared and certain rumors have been circulated regarding the administration of the affairs of the Michigan State College of Agriculture and Applied Science, tending to call into question the propriety of the acts and policy of the administration of the affairs of the Michigan State College of Agriculture and Applied Science; and

"Whereas the Michigan State College of Agriculture and Applied Science is a public institution supported by public taxes appropriated in large part for the purposes of said institution by this legislature; and

"Whereas certain of the moneys expended by this institution are specific appropriations for the expenditure of which the legislature should rightfully inquire into, in case of doubt; and

"Whereas notwithstanding the breadth of the powers which may have been conferred upon said institution with regard to the expenditure of moneys generally appropriated to its use by this legislature, it is the duty of this legislature, in view of the fact it must continue to make such general appropriations, to satisfy itself as to the wisdom and public policy of the appropriations so made to said institution; and

"Whereas certain employees of this institution have been discharged in the middle of the school year and their salary continued without satisfactory explanation of this unusual conduct by the officers of said institution; and

"Whereas the affairs of this institution have been determined upon behind closed doors, and all previous official investigations of these affairs have also been closed to the public, the taxpayers of this State have a right to be enlightened with regard to these matters by means of a public investigation; and

"Whereas the officers of the college are entitled to a fair and impartial investigation of their acts and statements concerning them; and

"Whereas the citizens, farmers, and taxpayers of this State are interested in the agricultural activities carried on by the college and other corporations, boards, and persons in this State: Now, therefore, be it

"Resolved by the senate, That a committee of five be appointed by the Lieutenant Governor and be authorized to conduct, with the aid of the attorney general or his assistant, a public investigation of the administration of the affairs of the Michigan State College of Agriculture and Applied Science, together with the affairs of its officials and employees and the activities of any person, corporation, or other body directly or indirectly related to said Michigan State College of Agriculture and Applied Science, the activities carried on by the college and other corporations, persons, or other bodies in this State, such committee to report their findings to the Governor and the legislature within 90 days; and be it further

"Resolved, That such committee be authorized to administer oaths, to subpoena witnesses, and examine the books and records of any persons, partnerships, corporations, or any body, commission, department, or institution of the State; and be it further

"Resolved, That such committee shall be authorized to incur such expenses and employ, with the exception of legal aid or counsel, such expert and other assistance as may be necessary, and that the members of the committee shall serve without compensation, such expenses to be payable from appropriations to be designated therefor upon a proper voucher signed by the chairman after approval by the committee."

Acting under the above resolution, the committee appointed ordered an audit of the records of the Michigan State College of Agriculture and Applied Science, and other organizations related to it, and has held public hearings and examined witnesses from day to day.

The results of the investigation by the committee are set forth in the following paragraphs:

1. The committee determined that there was a cash shortage of \$8,087.65 in the uniform deposit and advance military account as carried on the books of the treasurer of the college at June 30, 1932; that this shortage had accumulated over a period of years; that officials of the college and members of the State board of agriculture knew that this shortage existed at the time a grand jury investigated the affairs of the college in 1932; that the report of the grand jury indicates that the evidence given before it was incorrect and misleading, inasmuch as the grand jury's report states that the shortage was \$400; that the State board of agriculture appropriated \$8,087.65 to make good the shortage without determining the person or persons responsible for same.

2. The organization of the treasurer's office for the handling and control of cash is defective, and the records show that there are frequent discrepancies between the cash on hand as shown by the records and the actual cash on hand.

This condition has been brought to the attention of the officials of the college and the State board of agriculture in a previous audit, and they have refrained from or delayed in taking the necessary steps to correct the condition.

3. The treasurer's records show several transactions covering cash received and disbursed over a period of years and the transactions referred to have never appeared in the annual financial reports of the college. For example, a loan of \$1,260 made to the Union Opera Board on December 19, 1922, appears on the treasurer's books. Interest collected on bank deposits since the year 1916 totaling \$15,486.34 is also recorded on the treasurer's books. Neither of these items have appeared in the annual financial statements of the college, and the financial statements as published have been incorrect.

4. The control of cash received from commercial sales, services, and other operations in many of the departments of the college is inadequate. In many of these transactions credit is extended and there is no control of the transactions. No entry is made for them on the general books of the college until and unless cash is received. The committee's investigation disclosed that there was in excess of \$25,000 of accounts receivable owing to the college, which did not appear on the general books, and that many of these accounts were long past due and in some instances actually bad.

5. The officials of the college and the State board of agriculture were grossly negligent in arranging for and supervising depository bonds protecting the funds of the college on deposit in banks.

The college had \$76,041.22 tied up in the East Lansing State Bank, East Lansing, Mich., on March 31, 1933. This deposit was supposed to have been protected through an agreement with the bank to deposit securities with the Grand Rapids Trust Co. The agreement reads in part, as follows:

"The bank hereby agrees to deposit securities in the amount computed at their market value of at least 10 percent more than the amount deposited by said depositor."

The amount of securities actually deposited with the Grand Rapids Trust Co. under the agreement, even when the securities are considered at par value was only \$49,700, which was \$33,945.34 less than the requirement under the agreement, and \$19,500 of the securities deposited are in default.

The treasurer of the college is president of this bank.

The secretary of the college was a director of this bank until recently.

A member of the college faculty is vice president and two members of the faculty are directors of this bank.

The college had \$185,935.39 tied up in the Capital National Bank, Lansing, Mich., on March 31, 1933. A surety bond executed by the Guardian Detroit Union Group, Inc., was accepted by the State board of agriculture to secure the deposit. In this case the State board of agriculture accepted a surety bond, without collateral, from the company which owned the bank in which the deposit was made.

The gross negligence on the part of officials of the college and State board of agriculture will result in a considerable loss of public funds.

6. The inventory of supplies carried by the college amounts to approximately \$40,000. This inventory is controlled and purchases are regulated by a perpetual inventory system which has been installed. The inventory contains approximately 4,200 items. A physical inventory made of 192 items in stores, disclosed that only slightly over 51 percent of the items were correct; that over 29 percent of the items were short, and over 18 percent of the items were over, when compared with the perpetual inventory.

An examination of 482 items, picked at random, carried in the perpetual inventory shows that purchases have been made in

excess of the requirements of the college, and that over 31 percent of the items examined had not been called for or used since 1931, and many of the items referred to had not been used at the college for years prior to 1931.

The following examples of overpurchase of supplies are given:

On August 24, 1929, the college purchased 2,500 feet of lead-covered cable at a cost of \$509.67. At March 31, 1933, about 200 feet of cable had been used, and the balance was on hand. Inquiry disclosed that the cable was not of a type which was regularly used at the college.

On April 20, 1931, 500 bags of calcium chloride were purchased at a cost of \$633.75. On July 30, 1931, about 3 months later, a further supply of 500 bags was purchased at a cost of \$633.75. From the date of the first purchase to the end of the year in which both purchases were made only 470 bags were used. The purchase in that year was upward of 500 bags in excess of the requirement. In 1932 only 46 bags were used. On that basis the college has a 10-year supply on hand.

On November 13, 1931, 12 Yale locks and 24 master keys were purchased, at a cost of \$64.30. The locks and keys were still in stores on April 26, 1933.

The committee has information regarding a number of items of the same type as those above quoted.

The college has frozen a considerable amount of its working funds in unusable supplies through careless purchasing practices.

7. The college has carried an average balance in its creamery operating fund ranging from \$5,000 to \$46,000 on deposit in the East Lansing State Bank, East Lansing, Mich., from 1925 to 1932. No interest has ever been received on this deposit.

The report of the special assistant attorney general who held an investigation at the college in 1932 stated that the interest on this deposit had been adjusted. The statement was incorrect.

8. The disbursement of an appropriation of \$50,000 for improvement of grounds authorized by the State legislature in act 402 of the Public Acts of 1927 was made under the supervision of T. Glenn Phillips, the college landscape architect. Mr. Phillips was on the college staff at a yearly salary of \$1,500. The records show that \$10,818.49 was disbursed to Mr. Phillips' staff. The majority of the checks drawn in favor of Mr. Phillips' staff were endorsed by the individuals and then endorsed for deposit in Mr. Phillips' bank account.

9. The college has on its staff a building architect at a salary of \$1,500. The firm of which the architect is a member has obtained practically all of the work in connection with the preparation of plans and specifications for college buildings constructed and has been paid 5 percent of the cost of construction for its services.

10. A private dormitory known as "Mary Mayo Hall" was built on the college campus in 1930 from funds obtained from the sale of securities by the First Detroit Co.

The amount of securities sold was \$425,000.

The advertising matter used in the sale of these securities described the issue as "Michigan State College 6-percent Dormitory Trust Certificates." The college does not own the dormitory and, according to the agreements examined, it is not financially obligated in connection with the retirement of the securities at maturity.

The securities are in default.

The securities were issued and the advertising matter used with the full knowledge of the officials of the college and the State board of agriculture.

The issue of the securities and the advertising matter used in their sale was approved by the Michigan Securities Commission.

The college has leased Mary Mayo Hall and has contracted to pay from the net income of the dormitory if the earnings are sufficient, a stipulated amount to take care of the dividends on the securities issued and to retire the securities as they mature.

The lease contains the following clause:

"The lessee shall not operate another dormitory or dining hall which will impair the income of this dormitory from rooms and board to such an extent as, in the judgment of the lessor, will endanger the collection of sufficient revenue for the payment of the rent reserved herein. If at any time the lessor shall give to the lessee notice in writing that it is necessary for the protection of such revenue to discontinue the operation of any other dormitory or dining hall by the lessee, the lessee shall discontinue such operation as soon as practicable and, in any event, within 1 year after such notice."

Under the above-cited clause, the trustee for Mary Mayo Hall can order the closing of dormitories and dining halls owned and operated by the college, if the net income of Mary Mayo Hall is not sufficient to meet the dividends on securities issued and to retire securities as they mature.

11. In October 1930 the State board of agriculture authorized the purchase of 36 shares in the Michigan State College of Agriculture and Applied Science Dormitory Trust No. 1 (Mary Mayo Hall) at a cost of \$35,910. The purchase was made from college funds. The securities mature in blocks of \$6,000 every 4 years from 1936 to 1950.

This was an improper investment of public funds which were appropriated by the State Legislature for current operating expenses.

12. The State board of agriculture appropriated and disbursed \$32,362.20 for the construction of a service tunnel to Mary Mayo Hall, a dormitory on the college campus, which is owned by a

private trust for which the Detroit Trust Co. acts as trustee. This amount was not refunded to the college from the proceeds of the securities sold to finance the construction of the dormitory and no arrangement has been made regarding the refunding of the amount.

13. The college furnishes electricity, steam, water, gas, and telephone service to Mary Mayo Hall, a privately owned dormitory on the college campus, at a flat rate of \$4,500 per annum. The base rates on which this charge is computed by the college are incorrect, inasmuch as they do not include any charge for depreciation on buildings, plant, and equipment, or transmission and distribution lines.

14. The State legislature appropriated \$300,000 to the college for building purposes for use in the year 1931. Of this amount \$100,000 was used to pay a portion of the debt owed by the college to the State in connection with the construction of the football stadium at the campus.

The State board of agriculture has appropriated from the balance of the above appropriation a sum of \$150,000 to be used along with other funds, to be raised by the sale of securities, for the construction of another dormitory along the same lines as the Mary Mayo Hall, previously mentioned in this report.

It is evident that the \$300,000 building appropriation made by the State legislature for use in the year 1931 was not required for general college buildings.

The State board of agriculture on October 31, 1931, entered into a preliminary agreement with the Detroit Trust Co. and The First Detroit Co., in connection with the leasing of the ground and the building and the financing of the construction of the dormitory mentioned above. It also entered into an agreement with Malcolmson, Higginbotham & Trout, architects, Detroit, Mich., for the preparation of plans and specifications, and plans and specifications have been prepared. A payment of \$4,500 has been made by the college on the plans and specifications, and it is obligated for a further payment to the architects of \$4,600 payable over a period of 5 years. Construction of the dormitory has not started.

The amount paid by the college is refundable when construction is started and the securities have been sold.

15. From June 1925 to June 30, 1928, the college furnished the Union Building on the campus, which is privately owned, with electric, steam, and water service amount to \$13,190.37, without charge. In the year ended June 30, 1929, it furnished the same service in the amount of \$11,266.28 without charge. In each subsequent year to date, it has appropriated to the building free service to the extent of \$10,500.

The total free service furnished and appropriated was approximately \$66,450.

16. In 1929 the State board of agriculture appropriated and disbursed \$8,215.21 for finishing a portion of the privately owned Union Building on the campus for use as a faculty club.

17. The State of Michigan carries in its sinking funds \$300,000 of bonds on the privately owned Union Building on the campus. Two hundred and eighteen thousand dollars of these bonds have matured and are unpaid and \$96,725 of interest on the bonds is past due.

18. The State board of agriculture donated in cash to the Michigan State College Alumni Association \$86,634.81 from 1918 to 1933.

19. From October 1930 to December 1932, the State board of agriculture has appropriated and disbursed \$380.21 in payments of the traveling expenses of the secretary of Michigan State College Alumni Association attending alumni meetings.

20. In 1931 there was appropriated and disbursed from general college funds \$1,594.78 to pay a note to the Capital National Bank, Lansing, Mich., which had been guaranteed by 24 endorsers in connection with sending of the college band to Washington, D. C., to attend a football game. Prior to the band leaving for Washington, the board had refused to make any appropriation for the trip.

21. The State board of agriculture authorized the payment of the traveling expenses of the secretary of the college, H. H. Halladay, in the amount of \$58.78, and of professor of music, Lewis Richards, in the amount of \$63.04, attending the above-mentioned football game at Washington, D. C.

22. An attempt was made by the secretary of the college, H. H. Halladay, to sell a horse to the college. The price of \$150 was agreed upon between Mr. Halladay and R. S. Hudson, head of the farm and horse department. A requisition was issued by Mr. Hudson in the name of Wayne Carpenter on Mr. Halladay's instruction. The horse was not required by the college and the requisition was rejected by Dean Cox who refused to pass it. Wayne Carpenter is Mr. Halladay's son-in-law.

23. College cattle was pastured for payment on a farm known as the Nickerson Farm, in which the following persons connected with the college had a proprietary interest:

Jacob Schepers, treasurer of the college; Ward Giltner, dean of division of veterinary science; I. F. Huddleston, research associate in bacteriology; W. L. Mallman, associate professor and research assistant in bacteriology; L. C. Emmons, professor of mathematics.

The cattle were under the jurisdiction of the veterinary division at the time they were pastured on the farm.

24. As of May 1932, there were 208 related persons on the staff of the college. At April 1933 the number of related persons on the staff was 153.

25. Up to February 1933 the college carried a rural-press specialist on its staff at a salary of \$1,500 per annum. We have

been unable to find copies of any college articles prepared by the specialist. Our investigation disclosed that the last specialist employed regularly prepared for his own clients a "confidential bulletin" and a "legislative letter" which was mimeographed from college stencils on college paper by college employees without charge to the specialist.

26. At March 31, 1933, the college general-fund assets exceeded the general-fund liabilities by \$633,912.85. This excess is actually a reserve which has been built up from the accumulation of unexpended appropriations, etc., and is available for general operations to the extent that the assets can be liquidated.

27. The operation of the college music department for the 4 years ended June 30, 1928, cost \$71,239.83. The cost of operation increased to \$192,615.75 for the 4 years ended June 30, 1932, an increase of \$121,375.87. This increase has taken place since the music department became affiliated with the Michigan State Institute of Music and Allied Arts. The increase has been caused principally by \$34,327.54 paid in fees by the college to the institute for instruction of college students under institute staff and an increase of \$84,208.80 in salaries paid to music-department instructors.

28. The Michigan State Institute of Music and Allied Arts is a nonprofit corporation organized under the laws of the State of Michigan.

29. Mr. Lewis Richards, who is the head of the college music department, received a salary of \$5,000 (reduced to \$4,650 in current year) from the college. Mr. Richards is also director of the music institute and as such has received 25 percent of all fees paid by the college to the institute for instruction of college students under institute staff. He has received 100 percent of all fees of institute students whom he taught personally, and, except in a few instances, he has received 25 percent of all fees paid by institute students for instruction. Mr. Richards has been allowed leave of absence for making personal appearances at concerts for remuneration, and has also received remuneration for appearances at Michigan State College student concert course.

30. The Michigan State Institute of Music and Allied Arts has occupied buildings owned and serviced by the college since 1929, and the college has received no remuneration for the use of the buildings or services rendered.

31. Since 1929 the college and college students have paid the Michigan State Institute of Music and Allied Arts \$59,183.47 in fees.

32. The institute has collected since 1929 and retained \$5,258.67 from students practicing in college-owned and serviced rooms on instruments rented by the institute.

33. The institute has retained \$4,026.08 of profits made since 1929 on the Michigan State College student concert course.

34. The institute, starting in the year ended June 30, 1931, and continuing down to March 31, 1933, has collected and retained \$11,027.73 from college students receiving their instruction under salaried college instructors. The students paid the institute for instruction for which the college had paid the salaries of the instructors.

35. From 1929 to March 31, 1933, the institute paid out in percentages and salaries to its instructors and its directors more than its income from fees (excluding the \$11,027.33 mentioned in the previous paragraph).

The cost of the investigation was \$6,500, representing the fees for the audit of the books of the college and the music institute for the 4 years and 9 months period ended March 31, 1933. The auditors also conducted investigations of other organizations connected with the college and checked the veracity of information which came to the attention of the committee. An examination was also made by the auditors of approximately 85 revolving and other funds which are connected with the college, the complete details of which are not recorded on the general college records.

The audit work has been carried out to the complete satisfaction of the committee.

Previous audits made at the college were cash audits of a superficial nature and did not contain the information required by the committee for its investigation.

The committee's investigation disclosed that Frank S. Kedzie, college historian, who had been in the employ of the college for 52 years; Joseph Frank Cox, dean of agriculture, who had been in the employ of the college for 20 years; and James B. Hassleman, director of publications department, who had been in the employ of the college for 17 years, were discharged without a hearing because they objected to many of the practices brought out in this report. These men were treated unfairly and there was no basis for their discharge.

#### RECOMMENDATIONS

We recommend that the Music Institute be entirely divorced from the college and removed from the college buildings and grounds.

We recommend that all connection between college officials and employees and the East Lansing State Bank, East Lansing, Mich., be discontinued.

We recommend that the state board of agriculture desist from paying any commissions to or making any contract, other than for their regular salaries, with its architect, landscape architect, or other members of its staff.

We recommend that the attorney general of the State of Michigan take proper steps to recover public funds which have been unlawfully taken or expended by the state board of agriculture or its agents.

We recommend to the Governor of the State of Michigan that he examine the testimony taken by the committee with a view to removing the members of the state board of agriculture if he deems that the testimony warrants such action.

EDWARD B. MCKENNA, *Chairman*,  
BEN CARPENTER,  
SAMUEL W. RAYMOND,  
RAY DERHAM,

*Members of the Committee Investigating the Administration of the Affairs of the Michigan State College of Agriculture and Applied Science Under Senate Resolution No. 27, Dated February 28, 1933.*

JUNE 14, 1933.

Mr. HOOK. During the brief interim of Michigan's Democratic State administration of 1933 and 1934, facts were brought to light by a Michigan Senate investigation showing a shocking state of affairs at Michigan's great pioneer College of Agriculture and Mechanic Arts—not just one of those faculty rows involving squabbling professors but in this case college officials and State board members were all hooked up together in a private music institute, a bank handling college funds without adequate protection or interest, land deals, shortages in the military account, in fact some 30 questionable, illegal, or irregular items were enumerated in the report of the senate committee of 1933. Men high in G. O. P. party councils were involved. A thorough cleanup has been delayed, but since the senate findings the college secretary resigned, the college treasurer now faces charges for failure to account for moneys in his hands, and I have this week received a clipping from the State Journal of Lansing, Mich., of April 10, 1936, stating that the M. S. C. military shortage probe is to be resumed and that the State police are now working on the missing \$8,000 of R. O. T. C. funds. The article states that the shortage in funds was discovered during the time a grand jury investigation was being conducted at the college 4 years ago. A true statement of news facts would be that the one-man grand jury conducted by Judge Leland Carr and the report by Special Assistant Attorney General Joseph Baldwin stated that no such shortage existed, thus protecting the guilty parties. The honest rural press of the State called these findings a "whitewash" at the time. The Lansing State Journal is one of the papers that was all that time VANDENBERG controlled. Joseph Baldwin, through influence of Senator VANDENBERG, was appointed from his district as first assistant doorkeeper of the United States Senate in 1931 and 1932. The first job of this politically obligated attorney in Michigan was as this special assistant attorney general of the State of Michigan, appointed in Governor Brucker's regime, to investigate the Michigan State College affair, and he did what no reputable attorney would do in protecting political malefactors. The involved State board of agriculture fired the illustrious Dr. Frank S. Hedzie, the grand old man of the institution, and two other objectors to dishonesty.

It is of interest that Governor Brucker this week announced his candidacy for nomination for the United States Senate. He would like to occupy the seat long held by the senior Senator of Michigan, JAMES M. COUZENS.

There are other connections that show the adroitness of this political gang. A Mr. Gilbert Daane, who is a banking associate of the junior Senator from Michigan, was nominated for the Board of Agriculture by the G. O. P. in 1932, replacing a former Board member who had made an effort to clean things up at M. S. C. Daane did not have the vote of the convention, but they gave him the nomination regardless—bad business even for the G. O. P.

Another unusual connection is indicated by the active part played by Mr. Fred L. Woodworth, Michigan's former Republican collector of internal revenue and the campaign manager for Michigan's junior Senator, in actively lobbying among the State legislators to prevent any action that they might take to correct the shocking state of political control at the Michigan State College. According to dependable authority, Mr. Woodworth received pay for his services as a lobbyist from the Michigan State Board of Agriculture—taxpayers' money used to protect guilty parties. As reported by the Michigan press, Mr. Woodworth is the man who at the recent Republican "blue grass" convention at Cleveland,

whispered the name of VANDENBERG in the ears of receptive delegates as a likely G. O. P. Presidential candidate.

With increasing frequency of late, the stentorian tones of the junior Senator from Michigan have resounded through the United States Senate. He is already hailed by many Republicans as the "plumed knight" of the Republican Party who may carry the gonfalon of the G. O. P. at the next election.

"Sanctity of our courts" and "freedom of the press" are the two main themes of Senator VANDENBERG, who apparently desires to implant the idea in the minds of his hearers that these paladiums of liberty have in some way been endangered by the New Deal in bringing the Nation from the depths of the Hoover panic of 1932 to the present state of well-advanced recovery. The junior Senator from Michigan is an orator of the old school, the very epitome of "pomp and circumstance" as he paces back and forth upon the Senate floor—a champion full worthy of the pelf and power faction of the old guard. Hamilton is his ideal, about whom he has written two books—the Hamilton who opposed the farmer and who looked upon the people collectively as "a dangerous beast."

The courtesy that I, as a Congressman, must extend in these Chambers toward the junior Senator from my State forbids my presenting here further details regarding the muzzling of the press, and the political prostitution of the judiciary of my State by G. O. P. factions, but recent developments remind me of a remark made by a wise old farmer of a central Michigan county in discussing the chances of a local Republican candidate for election as county supervisor: "Well," said the old-timer, "everyone knows that Mel sucks eggs, but he's durn good at hiding the shells." Until very recently the old-guard gang of Michigan have been "darn good at hiding the shells", but some of them, though carefully hidden, are coming to light.

The political henchmen of this gang are desirous of widening the scope of their influence by invading the broader field offered with Washington, D. C., as headquarters. As political machines go, this latest model Michigan machine is worthy of attention. Like the latest model 1936 Michigan automobiles it is streamlined and efficient, equipped with silent transmission and oil immersion shock absorbers—a great improvement over the Hoover-Hyde or the Harding-Dougherty models. This is the machine, "body by the G. O. P.", "powered by VANDENBERG and Brucker", that the old-guard gang of Michigan would like to wheel into the White House garage.

This is the machine they would like to wheel into the White House garage next November, but I cannot agree with my distinguished friend from Massachusetts that this Republican machine will go in there at any time. The honest people will not approve when all the facts are brought to light.

Mr. TREADWAY. Mr. Chairman, I yield 30 minutes to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Chairman, I have been endeavoring to ascertain from the gentlemen in charge of this debate just how much longer it is to be permitted to go on. I gather the impression that if no one interferes to stop us it will go on until 5 o'clock; also the impression that there is but one remaining orator on the other side of the aisle, which indicates that between us we shall consume perhaps an hour and 15 minutes. Of course, that will involve no effort on my part and does not dismay me in the slightest degree.

Mr. Chairman, I am a little unconventional in that I will have to confess at the outset I have never been excluded from a committee room. In fact, the committee room that has become so famous during this debate is one in which I would not care to force entry during a Democratic discussion of a tax bill. I cannot therefore claim any grievance upon this occasion, nor do I know anything about the horrid conditions existing in the State of Michigan as described to us by the gentleman who has just preceded me, and which bear such a close relation to this tax bill.

Upon one or two occasions as this debate has proceeded, Mr. Chairman, I have endeavored to remind the Chair and the Committee that the rule under which this debate is conducted provides that remarks shall be confined to the bill itself. Again I shall be unconventional in that I shall obey the rule; otherwise apparently it has not been worth the paper it is written on.

Mr. VINSON of Kentucky. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. VINSON of Kentucky. The gentleman has not adhered to the rule up to this point.

Mr. WADSWORTH. Mr. Chairman, I beg the indulgence of the gentleman from Kentucky.

Mr. VINSON of Kentucky. Mr. Chairman, I withdraw the point of order.

Mr. WADSWORTH. Do not withdraw it. I desire to be disciplined.

Mr. Chairman, my remarks up to this moment will be recognized, of course, by all veteran legislators as of the graceful and introductory character. I shall be guilty of rambling in the few comments I shall make, and I think I will not consume 30 minutes unless I am suitably and frequently interrupted. In the few comments I shall make upon this bill I desire first to speak about that provision which relates to the so-called "windfall" tax. I venture to do so because practically all of my life I have been engaged in the livestock business and thus have come into rather intimate contact with the packing business.

As I understand it, and I shall be glad to be corrected if I state this erroneously, the bill provides in effect that in the event a processor has passed the tax on to the consumer and thus has not been put out of pocket himself under the processing-tax law recently declared unconstitutional, he may be called upon to refund a sum of money equal to a certain percentage of the sum which he presumably pocketed at the expense of the consumer. I may state that awkwardly, but I am sure the members of the committee present know what I am driving at.

Mr. Chairman, I am going to confine my remarks to the effect of this provision upon the packing business. I am not at all concerned as to its effect upon the so-called big packer. The processing tax on hogs did not fall with as heavy weight on the big packing institutions. It was possible for them to absorb this tax in part at least, and perhaps in a good many instances entirely. As to the exact facts upon that situation I am not informed. But the big packer had this advantage: The processing of hogs was only a portion of his business. He also processed beef cattle against which there was no processing tax. He also processed mutton and lamb against which there was no processing tax. He also engaged in the purchase and resale or preparation and processing of several other articles, many of them byproducts, some of them medicinal, some of them relating to the hide industry, and some of them to the fertilizer industry. In other words, his operations were diffused and scattered over a wide area, and it is safe to say that about three-quarters of them was free from any processing tax.

There are, however, in this country, and doubtless the members of the Ways and Means Committee know this as a result of the hearings, something like 1,100 pork packers who do nothing else except handle hogs and process them into pork products of one kind or another. They do not handle cattle, and they do not handle sheep.

They manufacture very, very few of the byproducts which the big packers manufacture. All their eggs, so to speak, are in the hog basket.

The processing tax fell as a heavy burden upon their entire business. Now, the tax was computed at the rate of 2¼ cents a pound, live weight, on a full-grown hog. Hogs were selling during most of that period in the neighborhood of 10 cents a pound on the Chicago market; in other words, the processing tax amounted to 25 percent of the cost of the

raw material. I think no one will deny that this is a tax of extraordinary severity to be imposed upon any business.

The small pork packer was constantly put into difficulties, and I know of several of them. Of course, an effort was made at the beginning, and naturally so, as any businessman would make it, to pass the tax on to the consumer. The effort was not successful after a comparatively short experiment. Then an effort was made, of course, by the businessman running the pork-packing establishment to try to reimburse himself by paying less money for the live hogs, by taking it out of the producer. That did not work very well, because in the meantime the large packers were enabled to pay the full price for live hogs and absorb, in whole or in part, the processing tax imposed solely on the pork processing, but not imposed upon their other great undertakings.

There are about 1,100 of these small pork-packing concerns. Many began to go into the red. Most of them went into the red almost entirely as a result of this processing tax.

There is one concern of excellent reputation located near my home district, and I have no doubt my friend, the gentleman from New York, and my neighbor from Monroe County will recollect the identity of this concern—it is not profitable to mention it—had to take steps to put itself into the hands of a receiver. It withheld the payment of the tax, but had to deposit the money in the jurisdiction of the Federal court pending the decision of the Supreme Court on the Triple A.

In the meantime all preparations were made for putting the concern in the hands of a receiver, because with the payment of the tax it was finally decided the company would have to go out of business. It could not meet its obligations. It had been losing money too fast and over too long a period. Fortunately for it, the Triple A decision came along and the money that had been impounded was turned back to it, the receivership proceedings were withdrawn, the company has managed to survive and is now doing business, employing several hundred people and buying hogs all through the farming region of western New York. Had it not been for the Triple A decision this company would have closed, solely as a result of the processing tax.

Now, as I read this bill, and I may be mistaken, this company will have to prove and carry the burden of proof, that it did not pass on the taxes which it was able to pay up to the time it found itself unable to pay any longer; that it absorbed the taxes itself and that the consumer of the finished pork products paid no portion of them in the increased price of the retail goods.

How is the company going to prove this? How will they go about demonstrating it, Mr. Chairman? If this company, or any other pork-packing company, sold but one article, we will say sausages, and no other article or no other form of pork products, it might be possible to trace on the books of the company the actual cost of producing the sausages and subtract that from the ultimate price charged to the consumer and say, "There is your profit and we can tell whether or not you passed on the two and a quarter cents live-weight processing tax in the form of the finished sausage priced higher to the retailer." But, Mr. Chairman, concerns in the packing business do not do that kind of business. They market several different products—hams, sausages, pork, fresh pork, shoulders, bacon, different brands and types and quality, which are advertised, as you see them advertised all over the country. These articles go into the channels of commerce over a huge area and reach all kinds of markets. The prices are not uniform amongst them from month to month. If one article is not selling well they may reduce the price in order to boost its sale. If it is selling well they may keep the price up. If the price of one of their brands goes up or down, who can tell whether the processing tax had anything to do with it or not?

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. VINSON of Kentucky. Did the concern to which the gentleman refers have any net income during the period involved?

Mr. WADSWORTH. A net income?

Mr. VINSON of Kentucky. Yes; a taxable net income.

Mr. WADSWORTH. I am not informed authoritatively, but in view of the fact that it was on the verge of going into receivership, I imagine it was not enjoying any net income.

Mr. VINSON of Kentucky. My understanding is if it did not show a net income, there would be no tax under the "windfall" provision.

Mr. WADSWORTH. All right; suppose it showed a slight income.

Mr. VINSON of Kentucky. Then, of course, the factors in regard to passing it on or having absorbed it would apply. Most of the small packers maintain that they absorbed it; that competitive conditions were such that they could not pass it on. This was the proof or the testimony before the committee.

The gentleman refers to the burden of proof. He recognizes that there is a prima-facie presumption which may be rebutted.

Mr. WADSWORTH. Either party may rebut, but the Government does the assuming.

Mr. VINSON of Kentucky. The gentleman realizes that the facts are in the possession of the taxpayer, and to put the burden of proof on the Government would be an interminable proposition.

Mr. WADSWORTH. I think at the best this thing is going to be an interminable proposition. You will have lawsuits, litigation, expert accountants, investigations month after month, litigation year after year to find out whether the tax was passed on or not.

Mr. VINSON of Kentucky. The gentleman knows that we have thousands of cases under existing law involving the interpretation of taxes.

Mr. WADSWORTH. And you are adding to that situation, and that is not good law.

Mr. VINSON of Kentucky. If there was no net income there is no "windfall" tax.

Mr. WADSWORTH. The gentleman from Kentucky says we have numerous litigations in other tax laws. There is a terrific expense incident to the paying of taxes, the legal fees of the attorneys or experts paid by the taxpayer before he pays his tax. This is adding more expense to that group which is now and has been for 2 years near the rocks. You are going to bring these people into litigation in a desperate endeavor to save themselves and in the long run the Government will not get much.

This burden is to be imposed upon a group of industries which today are on the narrow edge, generally speaking, who were burdened terribly by the processing tax. That is admitted. Now Uncle Sam comes along and with a sneer—make no bones about it—with a sneer and innuendo against their integrity and character says, "We are going to get you and make you pay." From what will they pay you back? I am pleading for the small people. I am not pleading for the big packer.

Mr. VINSON of Kentucky. Is the gentleman in favor of the packer being unjustly enriched?

Mr. WADSWORTH. Oh, these packers were not unjustly enriched.

Mr. VINSON of Kentucky. If not, they will not have this burden imposed on them.

Mr. WADSWORTH. But they will have to prove that they were not. I am in favor of the Government taking its medicine when it is wrong. Who passed this act that was unconstitutional? The Congress of the United States. It put you in a hole as to revenues. Whose fault is it?

Mr. VINSON of Kentucky. What right has any packer or anybody else collecting processing taxes from somebody below to keep them in his pocket and become unjustly enriched?

Mr. WADSWORTH. Oh, there the gentleman goes again with his "unjustly enriched" business.

Mr. VINSON of Kentucky. The questions, however, will be determined by the Bureau of Internal Revenue and by the courts, just as questions of fact are determined under existing law.

Mr. WADSWORTH. All right. Drag this little fellow in, drag him through all the courses of litigation, with the Government's lawyers, paid for by the taxpayers, litigating as long as the Government desires, bringing this citizen in and trying to shake him down. Why? Because you made a mistake in passing the Triple A. What right had Congress to pass the Triple A in the first place? Tell me that.

Mr. VINSON of Kentucky. Oh, it would take me longer than the gentleman would give me time to do that.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. Yes.

Mr. CRAWFORD. The gentleman from Kentucky [Mr. Vinson] has made a pertinent observation in the application of this law. Section 501, page 231, line 5, says:

The net income of every person which arises from the sources specified below.

Here the law is referring to specific sources of income. What is that source? That source of income is the processing-tax feature. I have in mind a packer, such as described by the gentleman from New York [Mr. WADSWORTH], who had a loss during 1933 and 1934, and in 1935, since the Supreme Court decision, he has had refunded or returned to him \$101,000 in processing taxes. Suppose in 1936 he has a net income, we will say, of \$75,000, and into his gross proceeds have gone that \$101,000 which the Government returned to him. Will he have to return 80 percent of \$75,000 of it, or 80 percent of the \$101,000 under the provisions of this bill which says:

The net income of every person which arises from the sources specified below.

That is one question. If I may be permitted, let me submit this: Suppose that in 1934 and 1935 while the processing tax was running, this processing-tax feature came into his business. It was during 1934 and 1935 that he made this collection through sale of goods. This law applies specifically to income arising from sources specified below, and the law becomes effective January 1, 1936, and subsequent thereto. Will they go back and apply the \$101,000 which was incurred in his 1933 income, his 1934 income, and his 1935 income, or will it be applied in 1936 only?

Mr. VINSON of Kentucky. I do not think there is any application whatever to moneys that have been refunded in 21 (d). This does not seek to reach those moneys.

Mr. CRAWFORD. The gentleman means to say since the Supreme Court decision?

Mr. VINSON of Kentucky. Oh, no.

Mr. CRAWFORD. If since the Supreme Court decision the moneys which were impounded—

Mr. VINSON of Kentucky. Oh, that is different. That is not a question of moneys refunded. Moneys impounded and paid to him is a different proposition, but the gentleman used the term "refunded", and I thought he was speaking of refunding under section 21 (d). The first thing you have to determine is what happened to the tax. If the tax has been absorbed, as the small packer maintains very strenuously—and he impresses me with the nature of his testimony that he did absorb it, that the competitive conditions were such that he necessarily had to absorb it—and having absorbed it, there will not be any basis on which you will levy the 80-percent rate.

Mr. CRAWFORD. Whether he had an income or not?

Mr. VINSON of Kentucky. Whether he had an income or not. There is nothing plainer in this bill than that if he absorbed the tax there will be no "windfall" tax collected from him.

Mr. CRAWFORD. Suppose in other conditions which have been apparent, this firm has lost in 1933, 1934, and 1935?

Mr. VINSON of Kentucky. In one business, in the pork business?

Mr. CRAWFORD. In the business of purchasing hogs on the hoof.

Mr. VINSON of Kentucky. I say there will be no "windfall" tax.

Mr. CRAWFORD. Although he receives back the \$101,000?

Mr. VINSON of Kentucky. If there is not any income, there is not any "windfall" tax. Net income with reference to business revolving around the commodities upon which the processing tax has not been paid.

Mr. CRAWFORD. The gentleman makes that interpretation in spite of the fact that the law says upon "net income of every person which arises from the sources specified below"?

Mr. VINSON of Kentucky. I state that is my understanding of what this statute is.

Mr. MAIN. Mr. Chairman, will the gentleman from New York permit me to ask a question of the gentleman from Kentucky?

Mr. WADSWORTH. If I may have assurance of being allowed to extend myself, I yield.

Mr. MAIN. The language at the top of page 220, "to be collected and paid for each taxable year." Is it contemplated that this provision shall apply to anything other than the conditions which developed under the A. A. A. law?

Mr. VINSON of Kentucky. No, sir.

Mr. MAIN. Why should it not be limited, then, to the period under which the A. A. A. was in operation?

Mr. VINSON of Kentucky. Will the gentleman repeat his question? Perhaps I did not understand him.

Mr. MAIN. The language is "paid for each taxable year." That is at the top of page 220. Does not the theme of unjust enrichment apply specifically to this situation which developed under the A. A. A. legislation?

Mr. VINSON of Kentucky. As a practical matter, it deals with A. A. A., but as a matter of law this is permanent legislation and goes from year to year. However, as a practical matter, it applies to the transactions to which I think the gentleman refers.

Mr. MAIN. Does the gentleman conceive of any other situation to which that might apply than the impounding of funds which developed under the A. A. A. law?

Mr. VINSON of Kentucky. There might be some.

Mr. WADSWORTH. Mr. Chairman, I do not intend to pursue the discussion of the so-called "windfall" tax but for a moment longer. I cannot boast of any intimate knowledge of the problems of bookkeeping and accounting. I venture the assertion that the enactment of this legislation will inaugurate a long period of litigation, the expense of which will be an added burden to these people. Of course, the Government never cares how much money it spends in litigation. The poor citizen has to out of his own pocket. I may be wrong about it. I would not impugn the motives of the gentleman who wrote this section. I am not sure where it was written. It may have been written in the Committee on Ways and Means, but it was discussed sometime before that, and I imagine it was started long before the committee itself sat down to write this bill. But from the very beginning I have not been able to divorce myself from the opinion that it was born in a spirit of vindictiveness. Someone had to get even with somebody else in order to cover up an error. We will let it drop at that.

Mr. Chairman, may I say a word or two on what I conceive to be the philosophy underlying that portion of the bill which would impose a tax upon surpluses of corporations? The matter has been touched upon in very able manner by several gentlemen who have already addressed the Committee. I shall not go into that side of it at any length because it has been well covered. Incidentally, the attendance this afternoon is exactly in inverse ratio to the importance of the measure, not an unusual spectacle in the House of Representatives. I say that not by way of scolding my colleagues but to remind them that it is this kind of

situation that puts the Senate of the United States in control of legislation. We allow 8 hours or 10 hours or 16 hours to debate a bill which is positively revolutionary in character as it relates to the taxation of corporations. It will be rewritten in the Senate, and the whole country expects it. Thus does the House of Representatives represent. This House is an institution. For me it holds traditions.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield the gentleman from New York 10 additional minutes.

Mr. WADSWORTH. For me this House represents and holds very dear traditions. I have been privileged to be a Member of it going on 4 years; delighted to be a Member of it; proud of it; but dismayed, from time to time, in that under its procedure it surrenders, in large part at least, its legislative discretion to another body. That hurts. Under the Constitution we are to originate measures for raising revenue. My observation has been during the past 2 or 3 years that we do not originate much more than the enacting clause; that another body takes it over, and we wait for the conference report. So here we are, 30 or 40 of us this afternoon, discussing the most important revenue bill presented in the last 10 years.

As to the philosophy underlying it, in part at least—

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. DOUGHTON. What benefit would there be in unlimited debate if no more Members are interested than the gentleman just referred to?

Mr. WADSWORTH. I suppose I may be making an observation which seems unjust or unwarranted. Perhaps this present situation is due to the existence of the enormous Democratic majority in this House. I am not saying that as a criticism of the Democrats, but when this huge majority brings in a bill and it is announced as a majority bill, and the majority is 3 to 1, I suppose the tendency on the part of nearly all of us is to accept the fact that it is going to pass. It may be due to that political situation in the House, which may not last forever, that this situation exists today.

Mr. DOUGHTON. Would the gentleman state that the other body dominates this body or dominates legislation, or that more of the policies or views of the other body are found in laws when they are finally enacted than of this body? That has not been my experience since I have been here.

Let me say that our conferees have not submitted supinely to the views of the other body. We have given and taken as a coordinate body should; and I am sure the gentleman, fair as he is, fine as he always is, would not want to make the statement that this body is completely dominated by the other body.

Mr. WADSWORTH. Rather am I expressing only an opinion.

Mr. DOUGHTON. I wonder if, on second thought, that is the gentleman's opinion, if that is the gentleman's conviction.

Mr. WADSWORTH. Perhaps the opinion has been frozen into a conviction in my own mind. It is not important.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. My opinion is that step by step—and I am going to be perfectly frank about this, although I do not like making the suggestion—that step by step the House of Representatives is losing place as an institution.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. Mr. Chairman, I had not intended to digress upon a subject which may be disagreeable, but it has been in my mind for some time and may have some bearing upon the consideration of this bill.

Mr. Chairman, I have been looking back over the history of the so-called New Deal legislation very studiously for some time, as well as the utterances of its champions, especially the utterances of the President of the United States and his principal lieutenants. I have made this observa-

tion before; I am now going to make it upon the floor: In none of those utterances, be they the utterances of the President or of any of his principal lieutenants, have I been able to find the word "thrift." Not once has the President of the United States in 3½ years exhorted his people to frugality—not once.

Thrift as a virtue is not important in the New Deal; it does not appear in their theory of government; nor is thrift to be considered by the individual. We hear, rather, of planned economy; and this bill is a part of the planned economy, an expression coined by the President himself. We hear also, Mr. Chairman, the phrase "disciplined democracy", coined by Dr. Tugwell. The two go together. If economy is planned there must be obedience to it, and obedience is obtained only through the imposition of discipline—a disciplined democracy. It is a philosophy, Mr. Chairman, which underlies and has underlain a long succession of measures that have been presented to the House and to the Senate since March 4, 1933. And this measure is in line with those which have preceded it, the disciplining of the management of business, the penalizing of thrift exercised by a corporation. Thrift counts for nothing in this program and discipline counts for everything. That is the road we are traveling. We have been traveling it steadily, step by step, sometimes without our realizing it, for 3 years. It represents a philosophy of government. It may be the human race has reached a stage where it needs disciplining by its government; that every individual in the land has reached a point in his development where he would be happier and more contented and more secure if government planned how he should earn his living.

But let us not mistake the tendency or the road; this is what we are doing, step by step. True, the Supreme Court has suspended, for the time being at least—and the Lord knows how long it will last—two of the major efforts toward the disciplining of democracy, of a planned economy of life, in the N. R. A. decision and the famous A. A. A. decision. For the time being these two things are out of the window; but you and I know the effort has not ceased; that this very day efforts are being made to try to find some way of getting around those decisions. We have tried it in one respect with the Soil Conservation Act.

This is another way of disciplining agriculture. Obedience in this case is to be purchased. The element of force does not appear in the Conservation Act as it appeared in the Potato Act, the Tobacco Control Act, and the Bankhead Cotton Control Act, in all three of which appeared the club of the policeman raised over the individual farmer lest he disobey. In N. R. A. the same element of force was present. These two things are suspended for the moment, but you remember the very evident disappointment of the leader of this movement when the N. R. A. decision was handed down. A protest against that decision came from the White House.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. Mr. Chairman, I decline to yield for the moment. The country was reminded through a long interview with the newspaper press that the Government of the United States, despite its constitutional form and its being a Federal Union of States, should enjoy the same power over those things as the governments of Europe today enjoy them. Make your comparisons, my friends, make your comparisons.

Mr. Chairman, this attempt to compel business corporations, great or small, to stop accumulating surplus for a rainy day is a part of this movement.

We are now employing the power to tax in order to achieve the objective. Men who have spoken upon this floor before me, Mr. Chairman, have brought this out at least in part. It is the road we are traveling, and it should attract the serious thought and deep concern of every man who loves American institutions, for if we travel this road to its logical goal we shall no longer be a Federal Union of States; we shall be an empire with all power centered at Washington, put into the hands of a vast bureaucracy, who, with the

stroke of a pen, can tell me how many acres I shall plant, and tell you how many dollars you may save. [Applause.]

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield 5 minutes to the gentleman from Kentucky [Mr. VINSON].

Mr. VINSON of Kentucky. Mr. Chairman, the distinguished gentleman from New York [Mr. WADSWORTH] refers to two acts of the Federal Congress that were stricken down by the Supreme Court of the United States, namely, the N. R. A. and the A. A. A. He cites the two acts as being in a chain or in a sequence of legislation looking toward a disciplined people.

Mr. Chairman, I want to call his attention to the fact that the N. R. A. was brought to the Ways and Means Committee by a distinguished constitutionalist. It was brought physically in drafted form to our committee by the Honorable Lewis Douglas, then Director of the Budget, and now one of the most active critics of New Deal legislation. The members of the Ways and Means Committee had served with Lewis Douglas and we knew his philosophy and his conservatism. He brought the bill to the Ways and Means Committee. He was designated by the Secretary of the Treasury as his spokesman and his representative. We leaned heavily upon his words.

The gentleman from New York speaks of industry being disciplined or hamstrung. May I say to my friend from New York that following the testimony of William Green, president of the American Federation of Labor, a distinguished leader of industry appeared before the Ways and Means Committee advocating and pleading for the N. R. A. This was Mr. Harriman, then president of the United States Chamber of Commerce, and he begged and pled for the National Industrial Recovery Act.

You will find in the printed hearings that not only did he advocate its passage, to give industry an opportunity to have fair return upon its capital, but he went so far as to say that the Agricultural Adjustment Act then upon the statute books should not be referred to as merely legislation for the farmer, but that the A. A. A. was a bill which would benefit industry as well as the farmer. He stated that in bringing increased purchasing power to the farmer the bill in reality was one helping industry itself.

Mr. RICH. Will the gentleman yield?

Mr. VINSON of Kentucky. I yield to the gentleman from Pennsylvania.

Mr. RICH. Lewis Douglas, in my judgment, was one of the most honorable men I ever sat with in the House of Representatives, but he probably could not take orders any longer, and that is the reason he resigned as one of the Budget officers. He was requested to do something he did not believe in perhaps.

Mr. VINSON of Kentucky. As usual, the distinguished gentleman from Pennsylvania pulls down the curtain before his intellectual processes. I referred to the fact that Lewis Douglas brought the N. R. A. bill to the Ways and Means Committee and advocated its passage. We had a right to feel he did this in good faith.

Mr. RICH. He probably did that under orders.

Mr. VINSON of Kentucky. And I think Mr. Harriman spoke in good faith when he represented the United States Chamber of Commerce at that time. With industry and labor united we reported favorably and passed the legislation urged by Lewis Douglas.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, under our two-party system of government the minority is the balance wheel for the majority. This has always been the case, where the minority does its duty.

When the majority brings in a bill that is not sound, it devolves upon the minority to rectify any errors it contains, and to make it sound, and to make a good bill out of a bad bill.

The distinguished gentleman from New York [Mr. WADSWORTH] is a leader of his party. He is a spokesman for

his party. He has had distinguished service in both the House and Senate. When he believes that the majority has brought in a bad tax bill it devolves upon the shoulders of himself and his party to make that tax bill good, if possible, and to have his complete minority army here on the floor to help him do the fighting.

Of all the Members who should have remained silent about not all of the 435 Members being present here this afternoon to consider this bill, he should have been the one, because when he gets up here as the mouthpiece of his party, speaking for his party and talking about the small number present, his party forces should be here to listen to him and to back him up in what he does. He did not count. He had just 14 stalwart Republicans here to back him up—just 14—while he was speaking.

By actual count there were 14 of his party here to hear his melodious voice, and he spoke 40 minutes, and not one single constructive idea did he present to us. What has he to offer? What does this distinguished statesman, who has served in both the House and Senate, a distinguished mouthpiece for the Republican Party, offer to perfect this tax bill? I listened to him intently, but he proposed not an amendment.

If he has anything constructive to offer, the distinguished gentleman from North Carolina [Mr. DOUGHTON] would welcome it, for he is one of the fairest men in the Nation, besides being one of the most delightful colleagues in the House. He will listen intently and patiently to anything constructive that the gentleman from New York may offer that will correct any evil which he thinks may be in this bill. Why did not the gentleman from New York tell us how to correct it? I have been working much of the afternoon on a very important conference that soon is coming up on a very important appropriation bill, but I got here in time to answer this, and I imagine that many other colleagues, both Democrats and Republicans, are in committee rooms doing important work.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I cannot yield.

Mr. RICH. Is the gentleman cutting down the appropriation bills?

Mr. BLANTON. I cannot yield. I am, however, doing everything that one Member possibly can do to cut down all appropriation bills and balance the Budget.

Mr. Chairman, levying and collecting taxes is the most unpleasant duty that any statesman has to perform. No one likes to levy taxes; no one likes to collect them. Unfortunately, the duty is on our party to levy and collect them. The distinguished chairman of this committee, one of the greatest committees of the House, and the members of his committee have done their duty bravely, facing an election, and knowing it is unpopular. They have stood up here like men and have performed their duty, and yet they are criticized for it. I take off my hat to them. [Applause.]

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from Florida [Mr. GREEN].

Mr. GREEN. Mr. Chairman, I ask unanimous consent to speak out of order.

The CHAIRMAN. The gentleman from Florida asks unanimous consent to speak out of order. Is there objection?

Mr. RICH. Reserving the right to object, I hope it is not political.

Mr. MARTIN of Massachusetts. Mr. Chairman, reserving the right to object, what is the gentleman going to talk about?

Mr. GREEN. I am going to speak about the tax bill insofar as it pertains to the Florida canal.

Mr. MARTIN of Massachusetts. Is that in conformity with the policy of the majority leader?

Mr. VINSON of Kentucky. Does not the gentleman believe that since we have heard a 30-minute lecture upon government, the gentleman ought to have 5 minutes?

Mr. MARTIN of Massachusetts. The majority leader has been objecting quite strenuously this afternoon and I do not

know whether this is in harmony with his policy or not, and I am trying to help him out.

Mr. BANKHEAD. Mr. Chairman, I am very grateful to the gentleman for his voluntary proffer of assistance, as I always am, but I may say to the gentleman that this is a unanimous-consent request and if the gentleman from Massachusetts or any other Member on his side or on my side sees fit to do so, of course, all he has to do is to rise and say, "I object."

Mr. MICHENER. Reserving the right to object, as I understand this rule—

Mr. RABAUT. Regular order, Mr. Chairman.

Mr. MICHENER. Then I submit a parliamentary inquiry if the regular order is demanded.

As I understood the rule, the debate was to be confined to the bill. If this is the rule I ask the Chair whether we may change the rule of the House by unanimous consent of the Committee, and I make the point of order that we cannot.

The CHAIRMAN (Mr. WARREN). The Chair, of course, holds that the Committee cannot change the rule or the agreement made in the House. The Chair has not been so stringent about enforcing the rule, because the subject of taxes opens up a very wide field, including appropriations and other things.

Mr. GREEN. In that connection, Mr. Chairman, the Florida canal will use funds that are raised as a result of the passage of this bill.

The CHAIRMAN. The question is, Is there objection to the request of the gentleman from Florida?

Mr. RICH. Mr. Chairman, reserving the right to object, if this bill is for the Florida canal and that is the point the gentleman wants to make, then I shall have to object, because I cannot see how we can put this bill through for the Florida canal when the gentlemen on that side of the House are talking about the soldiers' bonus and the new agricultural appropriation bill.

The CHAIRMAN. Objection is heard and the gentleman from Florida will proceed in order.

Mr. GREEN. Mr. Chairman, if the minority desires to be that technical, although it has not been so in other cases, I ask permission to speak out of order in order to be in accord with the rules of the House. I have observed that you have not made the point against anyone else. However, if the minority does not desire to hear anything discussed about the Florida canal and if your party, as a party, is against the canal, I shall speak at a future time.

Mr. MAPES. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. MAPES. Mr. Chairman, I make the point of order the gentleman is not discussing anything now, but is scolding the House.

The CHAIRMAN. The gentleman from Florida will proceed.

Mr. GREEN. If that is the position of the minority—

Mr. MAPES. I make the point of order, Mr. Chairman.

The CHAIRMAN. The Chair thinks the gentleman is prefacing the remarks he intends to make, and the Chair overrules the point of order. The gentleman from Florida will proceed in order.

Mr. GREEN. I wish to discuss the Florida canal and not the tax bill. If the Republicans insist on the point of order I will for the present defer and later discuss the canal.

Mr. DOUGHTON. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I was surprised, in fact astounded, at a statement made by the gentleman from Michigan [Mr. WOLCOTT] in regard to the position of the President of the United States with respect to the enactment of the Federal Deposit Insurance Act. The gentleman stated, while the gentleman from Michigan [Mr. WOODRUFF] had the floor, that "this act was passed by the House against the wishes of the President of the United States. It was not on the 'must' list."

Then, later, the gentleman from Michigan [Mr. WOODRUFF] stated that he had been informed that the F. D. I. C. was passed over the violent protest of the President of the United States.

Of course, I am not a member of the Committee on Banking and Currency, but I had always understood that this act was an administration measure, that it was favored by the administration, and I have checked on the matter the best I can. I have conferred with two members of the Committee on Banking and Currency and they have both informed me that it was an administration measure, that the President of the United States was against the guaranty of bank deposits, but was in favor of insurance of bank deposits.

I am informed that he was 100 percent in favor of it. Beside the two persons I have spoken of, I called the White House but was unable to get in touch with the President, but I was assured by one familiar with the facts that the President was in favor of the legislation.

Now, my friends, if there is anything at all in the record of this administration that stands out more conspicuously, more clearly, as one of the great achievements of the administration, in contrast with the record of the previous administration, it is the record that this administration has made with reference to the banks of the country. [Applause.]

We all know full well the first act of the President of the United States when he assumed control of the affairs of the Government was to take prompt steps to make the banks safe for the depositors' money.

Mr. MAPES. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. MAPES. I am in a good deal the same position as the gentleman in that I have not any direct information on the subject; but my understanding has always been, and I supposed it was generally understood to be the fact, that the guarantee bank deposit amendment was offered to the legislation in the Senate by the junior Senator from Michigan [Mr. VANDENBERG]. I supposed that was a conceded matter of history.

Mr. DOUGHTON. Strange, indeed, that the Senator from Michigan, if he was so resourceful and so greatly interested in bank matters, did not take some steps before the banks fell into the condition that we found them. Why did not he and the previous administration do something to prevent the thousands of bank failures?

If there is any one outstanding achievement that towers above another it is the work done by the administration making the banks of this country safe and sound for depositors.

Mr. MAPES. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. MAPES. Is not the gentleman from North Carolina avoiding the issue somewhat? My recollection is that the bill was passed by the House of Representatives as presented by the administration without this amendment in it. The amendment was put on in the Senate.

Mr. DOUGHTON. The gentleman knows that the President could have vetoed the bill. You cannot get by that way; you cannot deprive this administration of credit for the great work that has been done in banking reform. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Chairman, I likewise did not think there was any controversy concerning the attitude of the President of the United States in respect to the insurance of bank deposits in the special session of the Seventy-third Congress which convened on March 9, 1933, and continued, I think, until the 15th of June 1933. It has been my purpose, and it has been the purpose of every member of the Banking and Currency Committee—and I am sorry there are not others here to answer my remarks in this respect—and the policy of every member of that committee has been to refrain from comment upon anything which has transpired in our committee in executive session. I want nothing which I say today to be interpreted as divulging any confidences of any of my fellow members on the Banking and Currency Committee as to what transpired in executive session. I say on my own responsibility as a member

of that committee that as late as June 12, 1933, the chairman of the Banking and Currency Committee of this House was making an effort to bring out a bill to insure bank deposits, and I say in passing that this House and this Congress and this Nation owes a debt of gratitude to the tenacity and the fortitude of the chairman of the Banking and Currency Committee, the gentleman from Alabama [Mr. STEAGALL], for bringing the deposit insurance on to the floor and getting it passed. [Applause.]

The President in his inaugural address had suggested—and I do not attempt to quote him, because I do not remember his exact language—that something along the line of insurance of bank deposits was essential to the well being of the country.

Mr. GREEN. Mr. Chairman, I rise to a point of order. Is the gentleman discussing this bill or some other subject?

Mr. WOLCOTT. I am answering the chairman of the committee.

The CHAIRMAN. The gentleman from Michigan will proceed in order.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent to proceed for the balance of my time out of order.

The CHAIRMAN. Does the gentleman make the point of order?

Mr. GREEN. I make the point of order.

Mr. DOUGHTON. I hope the gentleman will withdraw that.

Mr. GREEN. I withdraw the point of order.

Mr. WOLCOTT. I ask unanimous consent to proceed out of order.

Mr. BANKHEAD. O Mr. Chairman, I cannot agree to that.

Mr. MICHENER. And I cannot agree to that in view of what took place before the gentleman from Michigan came into the Chamber.

The CHAIRMAN. The gentleman from Michigan will proceed in order.

Mr. WOLCOTT. Mr. Chairman, if the Members will remember, we had to meet a refunding operation in the Treasury of something like \$600,000,000 of securities coming due in June 1933. A very estimable gentleman was at that time Secretary of the Treasury, Mr. Woodin.

Mr. Woodin made a trip to New York about the 1st of April, as I recall it. From the date of the inaugural until the time Mr. Woodin returned from New York in the fore part of April, this House and our committee were very enthusiastic for the Steagall bill which would insure bank deposits. From that time on, although the committee was giving it some consideration, this House was not given the privilege of considering the insurance of bank deposits for the reason that an ultimatum had been passed down by Wall Street that if we passed a bill insuring bank deposits, or divorcing investment affiliates from banks, the banks would be in no financial position to help meet this refunding operation of June 1933, and for that reason the insurance of bank deposits remained a cold question until almost the date of adjournment, in fact until the 12th of June 1933, which was a Monday, succeeding the date when every one of us expected we would adjourn. It will be recalled that we were in session on Saturday the 10th until after 11 o'clock at night, expecting to adjourn on that Saturday night.

On the following Monday, the 12th, the gentleman from Mississippi [Mr. RANKIN] had this to say:

Mr. Speaker, more than 100 Members of the House have signed an agreement to oppose any adjournment of Congress until the bank guaranty deposits bill shall be brought before the House and disposed of. I ask unanimous consent to insert that agreement with the names in the Record.

There was no objection, and the agreement with the names on the petition was published in the RECORD on page 5826, under date of June 12, 1933.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. VINSON of Kentucky. If I recall, the F. D. I. C. was passed in 1933.

Mr. WOLCOTT. Yes.

Mr. VINSON of Kentucky. In the Congress next preceding the Seventy-third Congress; in other words, in the Seventy-second Congress; before this present administration came into power, did not a bill pass the House of Representatives and die in the Senate, securing deposits in banks?

Mr. WOLCOTT. My memory is that the so-called Steagall bill was passed in the House in the Seventy-second Congress and died in the Senate.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. DOUGHTON. Was the President opposed to that bill?

Mr. WOLCOTT. I cannot speak in that respect.

Mr. DOUGHTON. If he controls the House as it is said he does and the House membership is just a rubber stamp, then how was it that the bill passed the House against his wishes?

Mr. WOLCOTT. I cannot speak for the President in that respect, but I can speak from my own knowledge of what is contained in the RECORD of the special session of the Seventy-third Congress, that no interest whatsoever, from about April 1, 1933, until the date of the passage of the bill on the day of adjournment of that special session in 1933, was manifested by anyone connected with the executive establishment of this Government, to impel the passage of that legislation. You will remember very distinctly that at that time we were quite proud of the fact, at least, you on the Democratic side were, that you were following along with the President.

Mr. DOUGHTON. And we are proud of it yet.

Mr. WOLCOTT. The President of the United States made no statement whatsoever following up the recommendation that the banks should be a safe place in which to put the people's money, and it was through the tenacity of the chairman of your Committee on Banking and Currency here in the House and the junior Senator from Michigan in the Senate that the bill was finally enacted into law and passed by an overwhelming majority. The President saw what the sentiment of the Nation was and did not veto the bill.

Mr. DOUGHTON. Where was the Senator from Michigan when it got to the Senate? Why did he let it fail over there?

Mr. WOLCOTT. He did not let it fail. He put it into law, and the compromise was that we insure, not as we passed the bill here, the first ten thousand, and 75 percent of the next forty thousand, and 50 percent of the balance, but that we insure deposits in full up to \$2,500.

Mr. DOUGHTON. But you just said it failed over there. It did fail.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. TREADWAY. Mr. Chairman, I yield the gentleman from Michigan 5 additional minutes.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield further?

Mr. WOLCOTT. Yes; I yield.

Mr. DOUGHTON. The gentleman is making a long statement, and I hope that before he gets through he will state on what authority he made the statement this afternoon that this act was passed against the wishes and influence of the President of the United States?

Mr. WOLCOTT. Yes, I say it; and I say it on my own responsibility, without divulging any confidences with regard to what transpired in executive sessions of the Committee on Banking and Currency.

Mr. DOUGHTON. Did the gentleman talk with the President?

Mr. WOLCOTT. No; I did not.

Mr. DOUGHTON. Where does the gentleman get his information?

Mr. WOLCOTT. I know you have leaders who do speak for the President, and they spoke most decisively in the Committee on Banking and Currency, and told us that if we passed any deposit insurance bill or bill to divorce investment affiliates from banking, Wall Street would not take the Government obligations attending the refunding operations of June 1933. That seemed to be sufficient for you other leaders on your side of the House to let the matter remain dormant until, because of a filibuster in the Senate, we were kept in session until the 15th, when we expected to adjourn on the 10th, and an opportunity was thereby given to pass the bill.

Mr. GREEN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. WOLCOTT. I yield back the balance of my time.

Mr. GREEN. My point of order was that the gentleman from Michigan was not proceeding in order. He is not discussing the bill.

The CHAIRMAN. The gentleman has already yielded the floor and so the point of order is not in order. The time of the gentleman has expired.

Mr. TREADWAY. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. MAIN].

Mr. MAIN. Mr. Chairman, I should like to ask the chairman of the Committee on Ways and Means a question. The gentleman from Florida a few moments ago, in contending that his proposed remarks were in order, made the point that this bill is intended, in part, to provide funds for the Florida ship canal. Does the chairman of the Ways and Means Committee of this House concur in that statement?

Mr. DOUGHTON. I do not concur in that particular statement. The purpose of this bill is to provide funds for the Treasury of the United States for the general expenses of the Government. It is not earmarked for any purpose. Part of the revenue might be used for that purpose, but the revenues provided by this bill are for the benefit of the Treasury of the United States. I think the gentleman understands that.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. DOUGHTON. Mr. Chairman, I move that the committee do now rise.

The CHAIRMAN. Let the Chair state that there now remains 5 hours and 36 minutes of general debate. The gentleman from North Carolina [Mr. DOUGHTON] controls 3 hours and 14 minutes, and the gentleman from Massachusetts [Mr. TREADWAY] controls 2 hours and 22 minutes.

Mr. DOUGHTON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WARREN, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 12395, the revenue bill of 1936, directed him to report that it had come to no resolution thereon.

#### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Crockett, its Chief Clerk, announced that the Senate had passed, with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 11581. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1937, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House thereon, and appoints Mr. THOMAS of Oklahoma, Mr. GLASS, Mr. COPELAND, Mr. KING, Mr. NYE, and Mr. KEYES to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 788. An act for the relief of the International Mercantile Marine Co.;

S. 790. An act for the relief of the Compagnie Generale Transatlantique; and

S. 1138. An act for the relief of Art Metal Construction Co. with respect to the maintenance of suit against the United States for the recovery of any income or profits taxes paid to the United States for the calendar year 1918 in excess of the amount of taxes lawfully due for such period.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11035) entitled "An act making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1937, and for other purposes."

The message also announced that the Senate insists upon its amendments to the bill (H. R. 12098) entitled "An act making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1937, and for other purposes", disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MCKELLAR, Mr. RUSSELL, Mr. PITTMAN, Mr. HALE, and Mr. NYE to be the conferees on the part of the Senate.

#### RESIGNATION FROM COMMITTEES

The SPEAKER laid before the House the following communication:

HON. JOSEPH W. BYRNS,

*Speaker, House of Representatives, Washington, D. C.*

DEAR MR. SPEAKER: I hereby resign as a member of the following committees, effective this date: Census, Invalid Pensions, Territories.

Respectfully yours,

JOSEPH L. PFEIFER,  
*Third District, New York.*

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

The SPEAKER. The Chair appoints as members of the committee to attend the funeral of the late JOHN T. BUCKBEE, the following Members of the House of Representatives: Mr. REED of Illinois, Mr. THOMPSON, Mr. ALLEN, Mr. ADAIR.

#### THREE HUNDREDTH ANNIVERSARY, FIRST PERMANENT SETTLEMENT IN DELAWARE RIVER VALLEY

Mr. STEWART. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 499, authorizing and requesting the President to extend to the Government of Sweden and individuals an invitation to join the Government and people of the United States in the observance of the three hundredth anniversary of the first permanent settlement in the Delaware River Valley, and for other purposes.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the consideration of the resolution?

There was no objection.

The Clerk read the resolution, as follows:

Whereas there is to be held at Wilmington, Del., and Philadelphia, Pa., and at several places in other States, during the year 1938, celebrations commemorating the three hundredth anniversary of the first permanent settlement in the Delaware River Valley, said settlement being also the first settlement of the colony of New Sweden, which embraced parts of the present States of Delaware, Pennsylvania, and New Jersey; and

Whereas, in accordance with a resolution of the General Assembly of the State of Delaware, approved March 20, 1935, the Governor of said State has appointed a commission of 11 members, designated as the Delaware Swedish Tercentenary Commission, with authority "to prepare plans for a fitting celebration by the State of Delaware on the occasion of the three hundredth anniversary in 1938 of the founding of the first permanent settlement and the establishment of the first permanent government upon the soil of Delaware \* \* \*; and to cooperate with other commissions or committees representing the city of Wilmington; historical, patriotic, and other societies of the State of Delaware and other States; the governments of other States; and the National Governments of the United States and Sweden"; and

Whereas at its annual meeting held in Harrisburg, Pa., on January 17, 1935, the Pennsylvania Federation of Historical Societies (embracing 73 constituent historical societies) adopted the following resolution:

"Whereas plans are in preparation to celebrate the tercentenary of the landing of the Swedes on the Delaware and the establishment of the first permanent white settlement, and the first government in Pennsylvania, in 1638: Now, therefore, be it

"Resolved, That this federation pledge its hearty endorsement to such commemoration; and

"Resolved further, That the President be authorized to appoint such committee or committees to represent this federation as may be necessary and to cooperate with similar New Jersey, Delaware, Swedish, or other committees."

Therefore be it

Resolved, etc., That when, in the opinion of the President of the United States, it shall be appropriate for him to do so, the President be, and he is hereby, authorized and requested to extend to the Government of Sweden and such individuals as the President may determine an invitation to unite with the Government and people of the United States in a fitting and appropriate observance of the three hundredth anniversary of the first permanent settlement of Swedish colonists in Delaware, Pennsylvania, and New Jersey.

SEC. 2. There is hereby established a commission to be known as the United States Delaware Valley Tercentenary Commission (hereinafter referred to as the "Commission") to be composed of 15 commissioners, as follows: Five persons to be appointed by the President of the United States, five Members of the Senate to be appointed by the President of the Senate, and five Members of the House of Representatives to be appointed by the Speaker of the House of Representatives. The Commission, on behalf of the United States, shall cooperate with representatives of the States of Delaware and Pennsylvania in the appropriate observance of such anniversary, and shall extend appropriate courtesies to such representatives of the Government of Sweden, and other persons, as may respond to the invitation of the President extended as hereinbefore provided. The members of the Commission shall serve without compensation and shall select a chairman from among their number.

SEC. 3. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$10,000 to be expended by the Commission for expenses, including actual and necessary traveling and subsistence expenses incurred while discharging its functions under this resolution.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### APPOINTMENT TO COMMITTEE

Mr. DOUGHTON. Mr. Chairman, I offer a privileged resolution.

The Clerk read as follows:

#### House Resolution 497

Resolved, That JOSEPH L. PFELFER, of New York, be, and he is hereby, elected a member of the standing Committee of the House of Representatives on Foreign Affairs.

The resolution was agreed to.

#### ADJOURNMENT OVER

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

#### DISTRICT OF COLUMBIA APPROPRIATION BILL, 1937

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 11581) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1937, and for other purposes, with Senate amendments, disagree to all the Senate amendments and agree to the conference asked by the Senate, and for the appointment of conferees.

The SPEAKER. The gentleman from Texas asks unanimous consent to take from the Speaker's table the bill (H. R. 11581), the District of Columbia appropriation bill, 1937, which the Clerk will report, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman tell us how many amendments the Senate has placed on the bill?

Mr. BLANTON. The gentleman will remember that the House gave 3 full days to the consideration of this bill. The Senate committee put 87 amendments on it, all of which without reading passed the Senate yesterday without a word of discussion in 10 minutes. And one of the Senate amendments requires a contribution of \$5,700,000 to be made by the taxpayers of Massachusetts, Oklahoma, New York, Texas, and the other States, on the local civic expenses of Washington people.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. I yield.

Mr. RICH. Will the conferees give more than 10 minutes' time and attention to the bill before they bring a report back to the House?

Mr. BLANTON. The conferees devoted many days to holding hearings, and used 3 days of the House to the consideration of the bill here on the floor. I think that is the answer.

The SPEAKER. Is there objection to the request of the gentleman from Texas. [After a pause.] The Chair hears none and appoints the following conferees: Messrs. CANNON of Missouri, BLANTON, JACOBSEN, JOHNSON of West Virginia, and DITTER.

#### THE FLORIDA CANAL

Mr. GREEN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. GREEN. Mr. Speaker and my colleagues, showing at Keith's Theater, in the city of Washington, this week is a picture styled "March of Time." A portion of this picture was probably planned as propaganda adverse to the canal across Florida. In some respects, however, the publicity given through this medium is a benefit to the Florida canal, and to the American people. It is beneficial in that it shows to the American people the magnitude of the project, its great importance, and its present vast benefits as a sound and justifiable unemployment-relief project. It shows huge machines which were manufactured in various parts of the country and the work giving direct employment to over 6,000 people at the place of construction, and giving indirect employment to a large additional number in all parts of the country.

An unusual feature of the picture is that occupied by a distinguished Republican presidential candidate from Michigan. It shows this Republican candidate enthused over the temporary victory in the other legislative branch when an amendment to appropriate funds for the canal was lost by one vote. That one could be so sectional and so partisan as to be proud over the temporary defeat of a project of undoubted permanent merit and of substantial benefit to the entire country is difficult for me to understand. The blocking of action in the matter will be temporary. Right will prevail. The American people will not permit the permanent defeat of a project of so great permanent improvement value to all sections of the country as is the Florida canal.

The picture is misleading in that it purported to show a general opposition to the project on the part of Florida celery growers, general vegetable growers, and fruit growers. This part of the picture is exaggerated and is misleading. It is not founded upon any real existing sentiment among the Florida vegetable and fruit growers. This purpose of the picture is to show opposition on the part of the fruit and vegetable growers for the alleged contention that the salt water of the proposed canal would damage Florida's underground fresh-water supply and thus destroy fruit and vegetable life. This contention is without competent engineering fact. Gen. E. M. Markham, Chief of United States Board of Army Engineers, recently said:

In my opinion, a sufficiency of information with respect to underground water supply has been gathered to make a determination of the effect of the canal on such supply. This Department, in its investigations of the canal, has utilized the services of expert geologists and water engineers. A special board of review, formed pursuant to instructions from the President, also had the services of a competent water engineer. The preliminary

data gathered by the Department indicated that there was some possibility of adverse effects on the underground water supply. The more detailed information which is now available clearly indicates that the adverse effects are largely local and not of a serious nature. When the project was placed under way as a part of the relief program I had the district engineer at Ocala, Fla., assemble a board of selected experts to consider the data gathered by the two boards, the State geological department, and the Geological Survey, and to undertake additional and exhaustive field investigations. These experts have recently submitted their interim report, which definitely concludes that the effects of the sea-level canal on the underground water supply will not be serious but local in nature and capable of control with reasonable expenditures for remedial works. The authentic information available permits the conclusion that the sea-level canal will not contaminate the underground water supply of adjacent areas.

I quote General Markham because his authority is the highest engineering authority in our country. Other eminent engineers, among them Hon. H. H. Buckman, consulting engineer for the Florida Ship Canal Authority, concur in the conclusion that no serious damage will occur to Florida's underground water system and vegetable life. Fruit and vegetable growers in Florida generally are not fearful of adverse effects. I include a letter just received from Mr. James J. Taylor, of Ocala, Fla. He owns 25,000 acres of celery and citrus lands. Much of his land is now being cultivated as celery fields and orange groves. His letter follows:

APRIL 20, 1936.

HON. R. A. GREEN, M. C.,  
House Office Building, Washington, D. C.

DEAR REPRESENTATIVE GREEN: Being the owner of 25,000 acres of land in Marion County near the proposed Trans-Florida Ship Canal, as well as one of the largest celery growers in Florida, with about 250 acres planted to this crop, and a large grower of citrus fruits and general farm products, I have naturally been very much interested in the controversy as to the effect of digging this canal on farming, especially on the two above-named crops, celery and citrus fruits; also on our fresh-water supply.

After going over the reports of the eminent geologists and engineers who have made a careful study of the effects of this canal on farming and fruit growing, as well as the fresh water supply, I have reached the conclusion that the construction of this Gulf-Atlantic Ship Canal will not damage our crops and fresh water supply, but will be of great benefit to the whole State of Florida.

May I, therefore, respectfully urge you to continue your efforts to have the canal completed by the United States Army Engineers. We have every reason to believe we may trust them.

With personal regards, I am,  
Yours very truly,

JAMES J. TAYLOR.

One W. E. Ellis, president of the Commercial Bank & Trust Co., of Ocala, Fla., has recently written me that, in his opinion, no serious damage will occur to Florida underground water supply nor to Florida fruit and vegetable industries. He is one of the largest property owners in the canal area of Florida, and urges completion of the project.

Ray & Davidson are owners of a large tract of land, including Silver Springs, adjacent to the city of Ocala, Fla. This is probably the largest spring in the world. From it flows an adequate supply of sparkling and pure water sufficient to take care of the needs of every citizen in the United States. It is undoubtedly the most gorgeous and beautiful spring in the world. All forms of Florida plant life and fresh-water fish and animal life are to be found there in unparalleled beauty and abundance. People from all over the world go to Florida especially to see this great display of subterranean beauty.

The investment of Ray & Davidson at Silver Springs is worth hundreds of thousands of dollars. These owners would be the last ones to advocate completion of the Florida canal if damage to Florida would accrue therefrom. Mr. W. C. Ray, of Ray & Davidson, has just written me as follows:

APRIL 16, 1936.

HON. R. A. GREEN, M. C.,  
House Office Building, Washington, D. C.

DEAR CONGRESSMAN GREEN: With large investments at stake should there be damage to the fresh-water supply or a material lowering of the water level by reason of the construction of the Gulf-Atlantic ship canal, we have considered the effects of digging this waterway.

We are convinced, after talking with the United States Army Engineers on the job and after reading the conclusions of such eminent authorities as Sidney Paige, senior geologist, United States Army Engineers, Ocala, Fla., that there will be no material damage to agriculture, horticulture, or lowering of the water level that would permit damage to the fresh-water supply, even in our im-

mediate proximity to the canal, much less to those parts of the State remotely removed from the excavations.

We, therefore, advocate the completion of the canal and believe that shipping safety, shortened distance, and lowered freight rates will benefit the entire State of Florida and the whole United States.

May we respectfully request your support in having this canal completed?

With personal regards, we are,  
Sincerely yours,

RAY & DAVIDSON,  
Proprietors.  
By W. C. RAY.

I have received a large number of other communications disproving the fallacy that damage to Florida's water supply would result from the completion of the canal, but I shall not take your time to enumerate them.

In answer to an inquiry relative to the nature and extent of available traffic to warrant the ultimate expenditure of approximately \$140,000,000, General Markham recently said:

The special board of engineers had available data compiled by the Department of Commerce. In addition, they made a detailed study to determine the economic benefits to transportation which would result from the construction of the canal. While this information and data have not been reviewed in detail by the Board of Engineers for Rivers and Harbors, it is most complete and adequate for a full determination of the estimated value of the benefits to navigation which will result from its construction.

In commenting further relative to the economic justification of the project, General Markham continued:

The special board of Army Engineers made an extensive economic survey, and was aided in the preparation of its report by an independent survey undertaken by the Department of Commerce at the request of the Chief of Engineers. The determinations of the special board to shipping concerns, so that it might be informed as to their opinions with respect to the effect of the project on the individual interests of the companies concerned. In determining the economic justification of a proposed river and harbor improvement, the investigating officers ascertain the definite savings in time and distance which will be made available to navigation without increased hazards as a result of the improvement in question. These savings in time and distance converted into monetary savings and such other incidental benefits as clearly accrue to water-borne commerce and the general public interest, such as a reduction in the hazards of navigation, form the basis for the determination of the economic justification of a project. The views of navigation and commercial interests as to the effect which the proposed improvement may have on their operations are an aid to the board in weighing the public value of the savings and benefits as determined by the board.

Attention is invited to a recapitulation of the record as regards the findings of the several examining agencies with regard to cost and economic justification. In the first place, it should be borne in mind that the engineers of the Public Works Administration and the special board of survey of the Corps of Engineers developed their cost estimates from plans and specifications for a lock canal which varied in many important details. For instance, the engineers of the Public Works Administration planned a canal with two locks while the special board of survey considered a canal with three locks. Other important differences in plan and specifications make the estimates of total costs of these two examining agencies incommensurate. Again, the board of review developed its cost estimate from plans and specifications for a sea-level canal. As these board of review plans and specifications and cost estimate of \$142,700,000 have been approved by the Chief of Engineers, these elements of the project may be considered as definitely determined. It remains to consider the benefits found by the examining agencies and to apply these benefits to the cost of the project. The method for determining the economic justification of a river and harbor project established and followed by the Corps of Engineers is as follows:

The direct benefits to commerce are determined as accurately as possible in terms of dollars and cents per year. From these direct benefits are deducted the annual cost of maintenance and operation of the improvement, and, in the case of a certain class of structures which are subject to depreciation, an additional annual amount is deducted to amortize such structures over a reasonable period of time. The net remainder of benefits, when capitalized at 3 percent, should exceed the estimated cost of the project if it is economically justified. Sometimes, when the whole project is subject to depreciation, the net annual benefits are capital-

ized at 4 percent in lieu of charging amortization. In the case of the canal under discussion, the only structures which are subject to depreciation are two small water-control works and certain bridges, the cost of which is less than 2½ percent of the total cost of the project.

On the basis of the methods customarily used by the Board of Engineers for Rivers and Harbors to determine the economic justification of a project the Florida ship canal is justified by wide margin. These methods are analogous to those used in commercial practice for work of a similar character.

Not only would the benefits to shipping exceed by a wide margin maintenance and operating costs and interest at the current rates as required by the Board of Engineers, but in approximately 32 years they would, in addition, more than amortize the original cost of the work plus interest during construction.

The return from tolls considered by the board of review is no longer an issue as the route is being opened as a free canal, as are other waterways of the United States.

It has been estimated by competent engineering authorities and by the Federal Department of Commerce officials that this canal when completed will save about \$8,000,000 per year on the operating cost of ships which will use this canal; also, that it will save to consumers more than \$30,000,000 per year in transportation-cost saving. It is estimated that 10,000 ships per year will transit it and that in these ships one and one-half times as much tonnage will be carried as now passes through the Panama Canal. Through the completion of the canal the storm hazard around the south end of the peninsula of Florida will be eliminated. As a national defense asset to our Nation the cost of construction of this canal is well justified.

Another thing of prime importance in this matter and one in which my colleagues should be interested is the obligation owed to the people of Florida. The State of Florida agreed with the Federal Government to deliver the right-of-way for the canal. On October 22, 1935, the counties in the canal zone of Florida voted a bond for a million and a half dollars, have sold the bonds, and have bought a large portion of the right-of-way, which has already been delivered to the Government. The citizens of Florida have performed their part of this obligation and the Government is morally bound to keep faith with the people of Florida and complete the project.

The President was given full authority and direction to begin the project through the passage of the W. P. A. bill last session of Congress. Acting under this full authority given him by Congress, he began the project and has allocated about 5½ million dollars for it. Recently, in the other legislative branch of our Government, on a point of order it was ruled that the project was properly authorized. I do not believe any parliamentarian or attorney in the House of Representatives will question the authorization of the project.

But getting back to the actual benefits which are now accruing to the American people as a result of work now going on on the canal, I include the following letter just received from Mr. J. W. Hill, a prominent citizen of Marion County, Fla., as follows:

OCALA, FLA., April 20, 1936.

The Honorable R. A. (LEX) GREEN,

*Member of Congress from Florida.*

MY DEAR CONGRESSMAN GREEN: Will you please give me enough of your valuable time to read the following?

First. I want to tell you who I am and what line of business I am in. I am a small broke businessman operating a foundry and machine shop.

Second. To my understanding, it is the aim of the President and his administration to put men to work, therefore I would like to call your attention to the fact that prior to September 3, 1935, there had been millions of dollars allotted to Florida for the relief-work projects. The workingman barely received enough to buy bread from the dollars that were sent to Florida for relief, which goes to show that very little benefit was derived by the people that really needed help or to the business enterprises, which is the backbone of this country.

Third. I see in the newspapers that President Roosevelt has taken a stand against heavy projects. The billion and a half dollars he is asking Congress for must be spent on jobs that are quick in order to put men to work. Just allow me to quote you a few figures on what the Florida canal did toward putting more men to work.

Prior to September 3, 1935, I was working two men, not including myself, in my shop. Less than 3 weeks after the canal was announced I had 10 men working, and they are still working today. Not only my business but every place of business in Ocala has had the same increase. For every man that was given a job directly on the canal there were two men given jobs in private businesses. When it is all figured out that the canal has helped each business in general it is as follows: There has been \$5,400,000 allotted to the Florida Canal and today there is over \$7,000,000 worth of machinery or equipment that private contractors are now using on this canal. This equipment was manufactured in the East, North, West, and Central States. It gave employment to thousands of men. There are more than 300 trucks and cars now in use on the canal job, and most of them were manufactured in the Honorable Mr. VANDENBERG's home State. Even his own people were greatly benefited by the project he is so cleverly fighting. The railroad companies alone have received more than \$100,000 in freight for the hauling of this machinery for the contractors of this job. The express companies, the air lines, and every line of business in existence are receiving benefits from projects of this kind. There has been more than 5,000,000 feet of lumber used in connection with the canal projects. This lumber came from mills in Alabama, Georgia, and Florida, thereby giving employment to thousands of men.

You men that represent the people of Florida and the people of the United States can do more in putting men to work, not directly but indirectly, with \$25,000,000 for the Florida canal than with \$100,000,000 for such projects that have been approved in the past. Remember that it is this kind of projects that enable privately owned businesses to employ more men.

Let me hear from you.

Very truly yours,

J. W. HILL.

You will note from Mr. Hill's letter a brief statement of a portion of the benefits which this project is now carrying to practically every State in the Union. After it is completed every State in the Union will share for all generations to come great benefits. The same opposition which opposed the Panama Canal without ultimate success is opposing the completion of the Florida canal. This effort of the special interests will meet defeat in this case as in the Panama Canal, because the Florida canal will be completed. It is my intention to at a later date discuss this project in more detail and to give you further information and facts concerning the project. In the meantime, I urge each of my colleagues to make a thorough and careful study of this great project and the benefits which it will carry to our American people, and to cooperate for its completion as the project carrying the most lasting improvement of the present administration.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks, and to include therein three short letters and certain excerpts from a statement prepared by myself and Hon. H. H. Buckman on the Florida canal.

THE SPEAKER. Is there objection to the request of the gentleman from Florida?

Mr. RICH. Mr. Speaker, reserving the right to object, how much of the RECORD will these excerpts take?

Mr. GREEN. The matter is not very long; I would say it would take maybe a page or so.

Mr. RICH. Not over a page?

Mr. GREEN. I would not say that, it may be more than that, but it will not be very long.

Mr. RICH. But it will not be more than two pages?

Mr. GREEN. I cannot say.

Mr. RICH. If it is more than two pages, I object, and the gentleman will have an opportunity to find out how much space it will take.

THE SPEAKER. Objection is heard.

Mr. GREEN. Then, Mr. Speaker, I modify my request, and ask unanimous consent to include just the letters.

THE SPEAKER. Is there objection to the request of the gentleman from Florida to include the letters referred to in his extension of remarks?

There was no objection.

[Here the gavel fell.]

Mr. GREEN. Mr. Speaker, I ask unanimous consent to proceed for one-half minute.

THE SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. GREEN. Mr. Speaker, I am very much disappointed that my Republican colleagues take such an unusual attitude

that they do not want a man even to express himself on a subject on the floor of this House. This is very unusual procedure. If they feel this is proper courtesy to a Member on the Democratic side of the aisle, in the future we can—no; I will not say "we", but I—I shall be forced to object to requests made by you gentlemen on the Republican side.

It seems to me only a courtesy to permit the Members to express themselves on a particular subject, whether the gentleman from Michigan may agree or not.

[Here the gavel fell.]

#### PERMISSION TO ADDRESS THE HOUSE

Mr. MAPES. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. GREEN. Mr. Speaker, reserving the right to object, is the gentleman going to discuss the Florida canal?

Mr. MAPES. I am going to try to answer the gentleman's statement, if I can.

Mr. GREEN. Mr. Speaker, I object.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. DALY, for 2 days, on account of important official business.

To Mr. THURSTON, for 10 days, on account of important business.

To Mr. LEE of Oklahoma, for a few days, on account of important business.

To Mr. RICHARDSON (at the request of Mr. WALTER), for 5 days, on account of important official business.

#### THE MENACE OF FOREIGN IMPORTS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a radio address which I made on Friday, April 17.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, under leave granted to extend my remarks in the CONGRESSIONAL RECORD, I include the following radio address I made over a National Broadcasting Co. network, Friday, April 17, 1936:

Two of America's great industries are seriously menaced by competition from abroad. I speak of the threat to our cotton-textile industry through the enormous imports of Japanese low-cost cotton goods and the tannery and leather industry menaced by insufficient tariff protection.

The manufacturers know how serious it is—the workers know it through the bitter experience of lessening demand for their labor. So enormous is the cotton-textile industry that one cannot readily grasp the effect of any harmful influence upon it. It is not a local question, nor a sectional one, it affects not alone the spinner at his loom or the bleacher at his vat; it is of vital importance to the lowliest cotton picker in the fields of the South, and every one of the thousands in that section of the country whose livelihood depends upon the rise and fall in the price of cotton.

It is a foregone conclusion that our mills cannot compete with those of Japan in production costs. Our workers here could not exist on the 24 cents a day paid to cotton spinners there. The only protection we have against these low-cost products is tariff, and the present one has proved insufficient to equalize competition. Bleached cotton cloth is literally pouring into this country from Japan. The figures for the year 1935 show that the volume was 5 times greater than 1934, 117 times more than 1933, and 584 times greater than in 1932. Think of what that means in hours of labor lost to our workers—millions of square yards of cloth brought in from Japan when we have the mills, the workers, and the organization to produce it ourselves. Certainly there is unemployment, and there will be so long as we continue the present short-sighted policy toward foreign competition.

It has been said that we should not protest against these Japanese imports because Japan is our best customer for raw cotton. It is true that great quantities of raw cotton have been exported to that country, but the figures for the month of February 1936 as compared with January of this year are most alarming, showing a decline of 65 percent. Something must be done. The administration and the Democratic Congress seem to view the situation with unconcern. With other Members of Congress I have repeatedly literally begged the State Department to protect the great cotton industry. All we secure are vague promises. This country has lost its cotton goods export trade in Latin America; we have also lost

the market in the Philippines. It is true that we have a gentleman's agreement with Japan whereby that country will limit its exports to the Philippine Islands. However, through subterfuge, that agreement is being broken. Cotton goods are being shipped to the Philippines from China, where it is manufactured in mills controlled or owned by the Japanese; also at a production cost which is impossible for us to meet or attempt to meet.

Let us turn away from what is happening to our cotton industry and look at the situation in another of our great industries. From the very beginning of this Nation the cattle and hide industry has ranked as one of the most important. Today there are 393 tanneries operating, which employ 51,000 wage earners, who receive about \$58,000,000 a year in wages.

To supply the demand for leather in this country each year 125,000,000 hides are tanned—or, to look at it in another way, one hide for each person in the country. I give you this picture just to show you the importance and magnitude of our tanning industry.

One of the important branches of this trade is the calf-leather industry, which uses in the neighborhood of 30,000,000 calf and cattle skins each year. The calf tanners and workers are in real distress, due to a lack of protective duty. Germany is the menace here, producing calf hides at a low cost, which, coupled with an extremely flexible and varied monetary system, has enabled her to go into the markets and command the business.

Great Britain has seen the danger already, and early in March that nation protected its calf-leather manufacturers with a 30-percent duty. England has always had the reputation of being more of a free-trading country than ours, but when they see the situation demands remedying, they act. What has this administration done about it? Nothing. Germany has turned aside from the English market and is now directing all attention to the United States markets. We can debate for hours about relieving the unemployment situation but that condition will never be remedied or relieved by forcing men out of work through unfair foreign competition.

Perhaps it will be easier to visualize the effect of our weak-kneed protective policy if I tell you that in the year 1935 the increase in imports to this country of calf leather amounted to nine and three-quarter million square feet, valued at more than a million and one-quarter dollars. How badly our country needs the employment the finishing of those nine and three-quarter million square feet of hides would provide.

Our Nation has thrived and grown prosperous under a protective-tariff policy. Every Nation of the world was our customer, glad to buy our products and ready to pay our duties so long as we demanded it. Now we are launched upon a visionary experiment of reciprocal-trade agreements. We are rapidly becoming the laughingstock of the world for permitting other countries to take away from us our foreign trade. Our shores are becoming the common dumping ground for the low-cost merchandise of every producing nation of the world. Last year, 1935, showed an increase in imports into the United States that is alarming. It amounted to \$383,000,000 more than the previous year, and a large part of this was in merchandise that we are able to produce ourselves. We have the necessary capital, the machinery and mills, while the workers are begging for the opportunity of earning a day's wage instead of going to the town or city hall each week for relief money.

What can be done about it? We can protest and demand that our workers be protected by equalizing tariffs—stop the dumping of low-cost merchandise which is taking the earnings away from American workmen who will not need relief if they have the protection they have been given in the past. That would solve a part of our economic problem.

Legislation is not necessary to save the two industries I mentioned before. The President has the power, given him by Congress, to take care of an emergency such as this. All we lack is the will to do so. It is a question of policy and policy alone. If the people show the administration that it is their will that our products be protected, there is no doubt that it will be done. Our people want work, not relief; an honest day's toil, not boom-doggling.

#### SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 371. An act for the relief of G. Elias & Bro., Inc.;

S. 788. For the relief of the International Mercantile Marine Co.;

S. 790. For the relief of the Compagnie Generale Transatlantique;

S. 1062. For the relief of James R. Young;

S. 1138. For the relief of Art Metal Construction Co. with respect to the maintenance of suit against the United States for the recovery of any income or profits taxes paid to the United States for the calendar year 1918 in excess of the amount of taxes lawfully due for such period; and

S. 1846. For the relief of the estate of Anton W. Fischer.

#### BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the

President, for his approval, bills of the House of the following titles:

H. R. 4387. An act conferring jurisdiction upon the United States District Court for the Western District of Michigan to hear, determine, and render judgment upon the claim of Barbara Backstrom; and

H. R. 12037. An act relating to compacts and agreements among States in which tobacco is produced providing for the control of production of, or commerce in, tobacco in such States, and for other purposes.

#### ADJOURNMENT

Mr. BANKHEAD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 2 minutes p. m.), in accordance with the order heretofore made, the House adjourned until Monday, April 27, 1936, at 11 o'clock a. m.

#### COMMITTEE HEARING

##### COMMITTEE ON THE PUBLIC LANDS

The Committee on the Public Lands will meet at 10 a. m. tomorrow, Saturday, April 25, 1936, to consider the bill (H. R. 7086) to establish Mount Olympus National Park in the State of Washington, and for other purposes. The hearing to be considered in the caucus room of old House Office Building.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

816. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 23, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Yamhill River at Lafayette, Oreg., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

817. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 22, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Goldsmith Inlet, Long Island, N. Y., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

818. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 22, 1936, submitting a report, together with accompanying papers, on a preliminary examination of the Merrimack River, Mass., with a view to making the river navigable from Lowell to the sea, authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

819. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 22, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Oswego, Oneida, Seneca, and Clyde Rivers in Oswego, Onondaga, Oneida, Madison, Cayuga, Wayne, Seneca, Tompkins, Schuyler, Yates, and Ontario Counties, N. Y., with a view to the controlling of floods, authorized by act of Congress approved June 6, 1935; to the Committee on Flood Control.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. HOLMES: Committee on Public Buildings and Grounds. H. R. 10934. A bill to authorize the transfer of the customhouse at Salem, Mass., from the jurisdiction of the Treasury Department to the Department of the Interior; without amendment (Rept. No. 2495). Referred to the Committee of the Whole House on the state of the Union.

Mr. MILLER: Committee on the Judiciary. H. R. 12260. A bill prescribing a condition precedent to the award of certain contracts by Federal agencies; with amendment (Rept. No. 2497). Referred to the Committee of the Whole House on the state of the Union.

#### REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. KENNEDY of Maryland: Committee on Claims. Senate Joint Resolution 196. Joint resolution to correct errors in the enrollment of Private Act No. 349, Seventy-fourth Congress, approved August 29, 1935, and to clarify the duties of the Comptroller General in connection with said act; with amendment (Rept. No. 2496). Referred to the Committee of the Whole House.

Mr. ROGERS of New Hampshire: Committee on Military Affairs. H. R. 9002. A bill for the relief of Capt. James W. Darr; without amendment (Rept. No. 2498). Referred to the Committee of the Whole House.

Mr. MAAS: Committee on Naval Affairs. S. 1975. An act to authorize certain officers of the United States Navy, and officers and enlisted men of the Marine Corps, to accept such medals, orders, diplomas, decorations, and photographs as have been tendered them by foreign governments in appreciation of services rendered; with amendment (Rept. No. 2499). Referred to the Committee of the Whole House.

#### CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 10696) granting a pension to Robert Melvin Palmer; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 12432) granting a pension to Ellen Thompson; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. O'CONNOR: A bill (H. R. 12454) relating to personal-injury suits by seamen; to the Committee on Merchant Marine and Fisheries.

By Mr. DOUGHTON: A bill (H. R. 12455) to provide for the administration and maintenance of the Blue Ridge Parkway, in the States of Virginia and North Carolina, by the Secretary of the Interior, and for other purposes; to the Committee on the Public Lands.

By Mr. LANHAM: A bill (H. R. 12456) to provide for the completion of the 25-mile spacing of horizontal and vertical control surveys in the State of Texas; to the Committee on Merchant Marine and Fisheries.

By Mr. POWERS: A bill (H. R. 12457) to amend the Air Commerce Act to provide for the safety of passengers in aircraft; to the Committee on Interstate and Foreign Commerce.

By Mr. WILCOX: A bill (H. R. 12458) authorizing a preliminary examination of the intracoastal waterway throughout Broward County, Fla.; to the Committee on Flood Control.

By Mr. GRAY of Indiana: A bill (H. R. 12459) to provide means and facilities for the generation of electrical power and the transmission and distribution thereof, in rural areas, and for electrical districts including farm areas, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DRIVER: A bill (H. R. 12460) to provide for tuberculosis hospitals and for their operation; to the Committee on Interstate and Foreign Commerce.

By Mr. PETERSON of Georgia: A bill (H. R. 12461) to extend the times for commencing and completing the construction of a bridge across the Savannah River at or near Burtons Ferry, near Sylvania, Ga.; to the Committee on Interstate and Foreign Commerce.

By Mr. GREEN: Resolution (H. Res. 496) authorizing and directing the Committee on the Territories of the House of Representatives to conduct an investigation into the economic resources of the Territory of Alaska with a view to determining the possibilities of further development of the industry, agriculture, and commerce of the said Territory; to the Committee on Rules.

By Mr. LEWIS of Maryland: Joint resolution (H. J. Res. 571) to provide for the participation of the United States in the commemoration of the seventy-fifth anniversary of the Battle of Antietam; to the Committee on the Library.

By Mr. HANCOCK of New York: Joint resolution (H. J. Res. 572) proposing an amendment to the Constitution of the United States amending the language of the first paragraph of section 6 of article I thereof; to the Committee on the Judiciary.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AYERS: A bill (H. R. 12462) to authorize the addition of certain names to the final rolls of the Blackfeet Tribe of Indians in the State of Montana; to the Committee on Indian Affairs.

By Mr. CHANDLER: A bill (H. R. 12463) for the relief of Adelaide Guerini; to the Committee on Claims.

By Mr. EKWALL: A bill (H. R. 12464) for the relief of Homa L. Rhoten; to the Committee on Claims.

By Mr. HOFFMAN: A bill (H. R. 12465) for the relief of Harold P. Waldo; to the Committee on Claims.

By Mr. REED of Illinois: A bill (H. R. 12466) for the relief of Paul Smith, alias John O'Brien; to the Committee on Naval Affairs.

By Mr. ZIMMERMAN: A bill (H. R. 12467) granting a pension to Nancy Ann Whitehead; to the Committee on Invalid Pensions.

By Mr. ZIONCHECK: A bill (H. R. 12468) granting a pension to La Veta Beall; to the Committee on Pensions.

Also, a bill (H. R. 12469) granting a pension to Rebecca Patterson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12470) for the relief of Chris A. Nelsen; to the Committee on Naval Affairs.

#### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10770. By Mr. BLOOM: Petition of the Legislature of the State of New York, urging the Federal Works Progress Administration and the Congress of the United States to accept immediate responsibility for relief and employment of transients, and requesting that this relief in employment be made effective through permanent departments of State government and coordinate local units of administration, and that funds be made available by the Federal Government on a grant-in-aid basis; to the Committee on Appropriations.

10771. Also, petition of the Assembly of the State of New York, urging the annual appropriation to the use of the State of New York the sum of \$2,000,000 for the maintenance and operating expenses of the New York State canal system; to the Committee on Appropriations.

10772. By Mr. GOODWIN: Petition of property owners and businessmen of Woodstock, N. Y., protesting against the decentralization of the Federal art project; to the Committee on Appropriations.

10773. By the SPEAKER: Petition of the Daughters of the American Revolution, requesting that September 17 of each year be made a national holiday; to the Committee on the Judiciary.

## SENATE

MONDAY, APRIL 27, 1936

(Legislative day of Friday, Apr. 24, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

#### THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, April 24, 1936, was dispensed with, and the Journal was approved.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 11581) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1937, and for other purposes, agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CANNON of Missouri, Mr. BLANTON, Mr. JACOBSEN, Mr. JOHNSON of West Virginia, and Mr. DITTER were appointed managers on the part of the House at the conference.

The message also announced that the House had passed a joint resolution (H. J. Res. 499) authorizing and requesting the President to extend to the Government of Sweden and individuals an invitation to join the Government and people of the United States in the observance of the three hundredth anniversary of the first permanent settlement in the Delaware River Valley, and for other purposes, in which it requested the concurrence of the Senate.

#### ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 371. An act for the relief of G. Elias & Bro., Inc.;

S. 788. An act for the relief of the International Mercantile Marine Co.;

S. 790. An act for the relief of the Compagnie Generale Transatlantique;

S. 1062. An act for the relief of James R. Young;

S. 1138. An act for the relief of Art Metal Construction Co. with respect to the maintenance of suit against the United States for the recovery of any income or profits taxes paid to the United States for the calendar year 1918 in excess of the amount of taxes lawfully due for such period; and

S. 1846. An act for the relief of the estate of Anton W. Fischer.

#### CALL OF THE ROLL

Mr. LEWIS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Lewis	Robinson
Ashurst	Couzens	Logan	Russell
Austin	Davis	Loneragan	Schwellenbach
Bachman	Dickinson	Long	Sheppard
Bailey	Dieterich	McAdoo	Shipstead
Barbour	Duffy	McKellar	Smith
Barkley	Fletcher	McNary	Stetwer
Benson	Frazier	Maloney	Thomas, Okla.
Bilbo	George	Metcalf	Thomas, Utah
Black	Gerry	Minton	Townsend
Bone	Gibson	Moore	Truman
Borah	Glass	Murphy	Tydings
Bulow	Guffey	Murray	Vandenberg
Burke	Hale	Neely	Van Nuys
Byrnes	Harrison	Norris	Wagner
Capper	Hastings	O'Mahoney	Walsh
Caraway	Hatch	Overton	Wheeler
Carey	Hayden	Pittman	White
Chavez	Keyes	Pope	
Connally	King	Radcliffe	
Coolidge	La Follette	Reynolds	

Mr. LEWIS. I announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from Colorado [Mr. COSTIGAN],